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BEING

A PRACTICAL TREATISE

ON

BUSINESS.

BY

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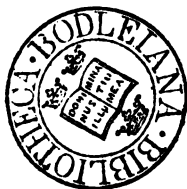
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AUTHOR'S PREFACE.

"The wisdom touching negotiation, or business, hath not been hitherto collected into writing, to the great derogation of learning and the professors of learning. * * * For if books were written of this, as the other, I doubt not but *learned men, with mean experience, would far excel men of long experience without learning, and outshoot them in their own bow.*"—BACON'S *Advancement of Learning*.

It needs no long experience, I think, to convince any one that men engaged in active business need all the information they can get to manage their concerns with success; nor does it require a world-wide observation to discover that not a few purchase their knowledge at the price of their fortune and reputation. Impressed with this conviction, I determined, some four months ago, to take advantage of the leisure accidentally afforded me to see what land-marks had been set up, and to know what could be learned respecting a matter so important as business, by means less costly and more pleasant than the severe teachings of experience. On looking through the records within my reach, I found a good deal that I considered valuable, and which I was satisfied that all who are engaged in business do not know, though doubtless many know the whole of it and much more. It seemed to me that, by separating that which was useful and practical from the mass of irrelevant matter with which it was mixed up, and arranging it in an interesting and instructive shape, with the addition of some facts entirely within my own possession, I could do some service to those for whom I entertain a higher respect than for any other class of men in the world—I mean the active, intelligent business men of the country—and especially to those who are fitting themselves for business pursuits. Whether the attempt is a happy one, I cannot say. It is a hazardous undertaking for an unpractised hand to attempt authorship at any time; and on subjects like this, it is doubly hazardous.

My claims to the indulgent consideration of those whose attention I necessarily solicit by the act of publication, rest mainly on the fact that the number of books on the principles of money-making is few—none to serve as models—and that more are wanted; and upon the fact that I honestly entertain the opinion, however mistaken it may be, that those who favour this humble treatise with a candid and unprejudiced perusal will not find that their time and money have been totally thrown away. The value of books of this kind does not consist solely in what they state, but also in what they may suggest, so that a wide-awake man stands a chance of

having an idea suddenly darted into his mind by which he may materially and essentially improve his fortune, or increase his happiness.

"In the outset, then, we apprise the reader," to use the language (which is especially true of this work) of the author of the chapter on Speculation, "that, inasmuch as one man's wisdom or experience would be a very insufficient guide in this great search for truth, WHICH HAS A BIG BAG OF MONEY AT THE END, we have not undertaken to rely on our own acquired skill in money-making, but have made free with the knowledge of others. The principles, the facts, the maxims, and the judgments we design to set forth are partly original and partly compiled. Few men have written books without saying something wise on the subject of money-getting, and what we have learned from divers sources respecting this matter," may be found in the following pages. This work embraces, *besides what is original*, numerous extracts and interesting letters to the author from Hon. John Freedley, Hon. Horace Greely, P. T. Barnum, and others; an excellent original essay, *The True man of Business*, by Hon. Horace Greely, written for this work; and *How to Get Rich by Speculation*, by a merchant of Boston, originally written for the *Boston Courier*; and other valuable matter from various sources.

Hoping that this treatise, though humble, contains some hints that will be of value to those for whom it has been prepared, and that those of its friends who believe that it will do good notwithstanding its faults, will take some interest in its circulation, I leave it in the hands of a generous public.

PHILADELPHIA.

ADVERTISEMENT TO THIS EDITION.

THE high character and great popularity which this work has obtained in the United States, where upwards of 10,000 copies have been sold within a few months, and at a comparatively high price, have induced the publishers to issue the present edition, which they believe will be highly acceptable to a large number of their countrymen. It has been found necessary to subject the work to a careful revision, in order to its better adaptation to English readers. Some few paragraphs, therefore, that would be either unimportant or inapplicable in this country, have been omitted in this edition, and in many cases, when requisite, new matter has for this purpose been substituted for the original, while the whole has been carefully corrected.

It is hoped that in its present shape the work will be found to be a valuable and agreeable manual for English men of business of every grade.

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HOW TO MAKE MONEY.

CHAPTER I.

BUSINESS—INTRODUCTORY.

The philosophy which affects to teach us a contempt of money does not run very deep; for, indeed, it ought to be still more clear to the philosopher than it is to the ordinary man, that there are few things of greater importance. And so manifold are the bearings of money upon the lives and character of mankind, that an insight which should search out the life of a man in his pecuniary relations would penetrate into almost every cranny of his nature. He who knows, like St. Paul, both how to spare and to abound, has a great knowledge; for, if we take account of all the virtues with which money is mixed up—honesty, justice, generosity, charity, frugality, forethought, self-sacrifice, and of their correlative vices, it is a knowledge which goes near to cover the length and breadth of humanity; and a right measure and manner in getting, saving, spending, giving, taking, lending, borrowing, and bequeathing, would almost argue a perfect man.—TAYLOR'S *Notes from Life*.

OUR subject is BUSINESS, and our first inquiry is, *What is Business?*

Business, in one sense, means employment or serious engagement, in distinction from trivial transactions. In its ordinary acceptation it implies employment in some *useful* affairs, for the purpose of profit or improvement. It is also a general term for all the occupations that engage the daily time, attention, and labour of mankind; but, in strictness, it should be confined to those which require skill and attention more than physical labour. It is a word that is derived from the German, and, in its primary sense, it signifies "seeing or closely inspecting." In the Latin it denotes self-denial of ease—*negotium*, *negotium*—I deny myself all pleasure and self-indulgence for the sake of business.

Man is a compound of body and mind. His nature is a complexity of the animal and the spiritual; of the physical and the intellectual. The gratification of his material wants is the object of business; science and literature aid his intellectual growth. The business man cultivates, manufactures, gathers together, and distributes those things by which the body is cherished or adorned; the scholar originates, collects, and furnishes food for the mind. Whether the office of the latter be

more important to society than the former—whether the mind is superior to the body—is a useless inquiry, as both are necessary to the existence of a human being. A body without a mind is the definition of a corpse; a spirit without a body is a frightful spectre. In determining a man's conduct and destiny, also, the body has frequently as much influence as the mind; and he who aspires to be master of his actions must pay a due attention to the regulation of both. "Falstaff would have been as abstemious at the banquet as a hermit, and as firm in the battle as a hero, if he could but have gained over the consent of his belly in the one case, and of his legs in the other. He that strives for the mastery must join a well-disciplined body to a well-regulated mind; for with mind and body, as with man and wife, it often happens that the stronger vessel is ruled by the weaker; although, in moral as in domestic economy, matters are best conducted where neither party is unreasonable and where *both* are agreed."

What is the end of Business? We answer, Happiness. The acquisition of property is subordinate to this end. Money is valueless, except as it will satisfy wants. Business is a source of happiness in several ways. Its pursuit engages, invigorates, and enlarges the mind; its usefulness promotes self-respect; its results, if successful, increase the power of doing what the head conceives and the heart desires.

The history of our race is the record of a long, fruitless chase after happiness. Men have traversed the whole cycle of imaginary good in search of it: they have sought it in glory, ambition, fanaticism, pleasure, action, repose, science, philosophy; at the bloody shrine of paganism; on the sands of Asia, beneath the banners of the Cross; in the lap of luxurious indulgence; in the cloisters of monks; at the confessional of the Jesuit; yea, they have invoked the Seven Spirits to teach them happiness; but, like the remorse-stricken hunter of the Alps, have been answered, "It is not in our essence—in our skill." Philosophy was summoned, at an early day, to point out the way. For more than a thousand years she preached to men to elevate their minds above all physical comforts; to condemn all useful improvements; to seek their happiness in the study of abstract science and metaphysical speculation; but, alas! it was impossible to "solve insoluble enigmas," or attain unattainable frames of mind. About the sixteenth century a different doctrine was promulgated. The

multiplication of human enjoyments, and the mitigation of human suffering, were held up as the only aim worthy of philosophy; and the invention of things useful as the highest exercise of intellect. In less than two centuries results have been realized that have outstripped human belief, as they have surpassed human experience. The progress of the age is a term as familiar in the lonely cabins of the West, as in the Academy of Sciences. And, in so far as happiness depends on the earnest, energetic engagement of the mind in any pursuit; on personal freedom; on good laws; on increased duration of life; on the mitigation of pain; on improvements in the healing art; on facilities of locomotion and correspondence; on the comforts and conveniences of life: this new philosophy has contributed greatly to the happiness of mankind.

It is a matter of deep regret that so many of those who are fitted by nature and education to be profitable instructors of mankind, have so often seen proper to speak disparagingly of those employments which are embraced in the term business. Sordid, low, base, selfish, grovelling, are the mildest epithets they have used when speaking of industrial pursuits; and a harsh necessity, from which men should escape as speedily as possible, is the best apology they can make for them. "A mere merchant! a mere man of business! Who would be content with such a designation? What respect can one feel for such a character?" says a distinguished divine, who makes £700 per annum out of his moral and religious sentiments. This is the spirit of that old philosophy which, like those "Roman matrons who swallowed abortives in order to preserve their shapes, took pains to be barren for fear of being homely." It is to be regretted, because it tends to lower the character of business pursuits in the public estimation; and many who engage in them will think of nothing but accommodating themselves to the course of conduct pointed out, and lay the blame of their selfishness and misconduct on the business, when in justice it should fall upon themselves. Why should business pursuits be stigmatized as low? In the literature of all countries and of all ages, idleness has been held up as the parent of vice. "A busy man," says a Turkish proverb, "is troubled with but one devil, an idle man with a thousand." "Men are usually tempted by the devil," runs a Spanish proverb; "but an idle man positively tempts the devil." But if idleness were a virtue, it is impracticable.

Mind cannot exist inactive; it must be engaged in something good or evil while the body is awake. The body, too, is framed for action, and, without it, sinks speedily into decay. In what, then, can body and mind be better engaged than in some one of those employments which, while they afford both an agreeable exercise, at the same time cure the ground of the curse which fell upon it, and cause the earth to "breathe and bloom again with the flowers and fruits of Paradise"? What will more contribute to general or individual happiness? Is it religion or knowledge? Religion is an essential element of happiness. Without it, a man cannot enjoy any real happiness, though he have the intellect of a Milton, or the wealth of a Croesus. The happiness of an irreligious man who, nevertheless, believes in the existence of a Great First Cause—in the immortality of the soul—in the truth of the Christian revelation—is that of the criminal under sentence of execution, or of him who stands tottering on the edge of an abyss into which a breath of wind may plunge him. He feels the weight of an impending doom—he has no resource in affliction—no consolation in adversity. But religion, though indispensable, is not all-sufficient for happiness in this life. Man was not created to spend his whole time in fasting and prayer. A recluse, it is said, living in the early ages of Christianity, betook himself to a cave in Upper Egypt, which, in the time of the Pharaohs, had been a depository of the mummies, and there lived to pray, to converse with the spirits of the dead, to mortify himself, eating only dates and drinking only the water of the Nile. At length, becoming weary of life, he prayed one day more fervently than ever, and then, sinking exhausted into a profound sleep, there appeared to him a vision of an angel in a dream, commanding him to rise, and cut down a neighbouring palm-tree, and make a rope of its fibres, after which the angel promised to appear to him again. Upon awakening, the hermit instantly resolved to obey the vision, and travelling for many days from place to place in search of an axe, he found himself happier than he had been for many years. His prayers, though shorter and fewer than those he had been accustomed to offer, outmeasured them in fervour and effect. Having returned with the axe, he cut down the tree, and with much labour and assiduity, for a long time, prepared the fibres to make the rope, and, by daily occupation, after some weeks he had completed the command. According

to promise, the celestial visitor that night appeared again, and said: "Dominico, thou art now no longer weary of life, but happy. Know, then, that man was made for labour as well as for prayer,—the one being not less essential to his welfare than the other. Arise in the morning, take the cord, gird up thy loins, go forth into the world, and let it be a memorial to thee that God expects from man, if he would be happy, a course duly adjusted both to his animal and to his spiritual nature."

Knowledge is a source of happiness. Every advance in intelligence that brings man closer in communion with the source of all true knowledge—every new faculty discovered or called into willing activity—every idea that gives a clearer comprehension of the mysteries of the visible world, or the still greater mysteries of the human mind—is an increase of happiness. But knowledge, without purity of heart, is a snare; and knowledge that cannot be applied to usefulness promotes wretchedness and temptation. "A man intellectually cultivated must be either a patient saint, or a gloomy misanthrope, if placed by the selfishness of society, or his own will, in such a position that he cannot profitably or happily apply his knowledge. He may be able to interpret the eloquence of nature, and look out amongst the stars with a feeling of the infinite glories of heaven, but yet he lies buried in the earth with all his burning thoughts. He feels the darkness, the uselessness, and rottenness of death, because he lives in the consciousness of all that might have been for him, and ought to have been for him; but that, although awakened into earnestness by the urgencies of his own nature, and by the affected officiousness of artificial teachers, he is still left to shift for himself, though imprisoned in poverty, as if in cold iron, stone, and gloom. Such is the lot of many a classic mind, to whom 'the ploughman whistling o'er the lea' is a prince. And the reason of this misery is in the fact that the knowledge which has nothing to do with daily employments, induces pride, false or unnatural taste, and makes the world a wilderness, because the heathen gods have been banished, and the vale of Tempe requires tillage, that its inhabitants may eat. And all kinds of education are equally maddening that do not give vigour and liberty to human sympathies, or induce a disposition to labour, and make demand for it. There is no happiness without action: and he who, from the state of his mind or the style of his ideas, or the mis-

management of monopolists, cannot get to work, might as well be palsied, or in the penitentiary. Nothing but the strong hold on the right hand of God, as the vindicator of the oppressed, and the omnipotent opener of prisons and graves, can comfort the man who knows and wills, and cannot act." *

A man who desires to make a wise disposition of his time, should so regulate it as to give each of these great sources of happiness—religion, knowledge, and business—its proportionate share of his attention, and not allow his mind to become absorbed in any one of them to the exclusion of the others. It is a union that is eminently practicable, and the result will be happiness.

It is an erroneous idea that business is incompatible with the highest degree of moral culture or intellectual ability. On the contrary, a man must possess great strength of moral principle, and an enlarged intellect, to carry on an extended business with a reasonable hope of success. Business is, in truth, a test of virtue, a fiery furnace to principle. He who passes his days in studious ease, holding converse with the spirits of the great dead, or meditating on abstract truths, and only sees life through the windows of his study, knows nothing of trial, or danger, or temptation. He may be a swindler, or a forger, or a murderer like Webster, and never suspect it. But no man can pass many years in business without developing his character to his own conscience at least, if not to the knowledge of the world. If he is a man of weak wit, he will become an habitual liar; if a man of lax moral principle, he will become a rogue, and consequently a bankrupt. If his conscience tells him that he is still a man of moral uprightness, he need fear no other trial. Let him who desires to test the strength of his principles, or improve his moral nature by wholesome discipline, embark in trade. Let him who considers himself a skilful arbitrator or adjudicator of nice questions in morals or metaphysics, place himself in a position where, every day of his life, he must adjust those in which he himself is an interested party. Let him who thinks himself a proficient in moral or mental arithmetic, try calculating a problem in which his liberty, his home, his fortune are involved. Let him who is firmly convinced, from study and reflection, that business does not call for intellectual ability, that "any fool can get money," embark his

* Moore's "Man and his Motives."

all in some credit business; and if he does not pray, before the fourth of November, that whole hecatombs of dead authors may bury him from the sight of living men, we will reconsider our opinion. That trade is a severe trial to virtue—too severe for the endurance of all men—is no proof that it is unfavourable to moral growth. Life is a probation, and business may be designed as a means of perfecting the moral nature. But it is a proof that science and religion should come down from their “starry heights,” and aid the poor sons of toil in their daily trials—that wisdom should make known not general principles merely, but rules that will be applicable to individual cases as they arise. It is a proof that preachers should preach a practical religion, and teachers teach a practical knowledge.

The steam-engine has been called a democrat. We would call it a radical reformer. It is destined to achieve as grand results in the moral and political world as it has in the material—to annihilate evils as it has annihilated distance. There is no great social evil, that I can think of, that will not disappear when the laws that make industry most productive are understood and applied to practice. The condition of the poor in our large cities no one can reflect upon without sorrow. But are there not millions of acres of uncultivated land in the globe? Are there not hundreds of thousands of farmers who would be richer men if they employed more labour? Circulate, then, a knowledge of the true principles of business; convince farmers that labour will and must pay, and soon the demand for labour will be greater than the supply. There will be agents in all the large cities, whose business it will be to procure labourers for the country. One-tenth of the additional income that men might have, if they were wise in their business pursuits, would support all the unfortunate poor in the world.

Our main reliance, in the *moral* progress of mankind, is found in those means which aim at the elevation of the business character. When men discover the great truth that no man is wise or safe but he that is honest; when they perceive clearly that virtue and knowledge will improve their chances of success in this life, and promote their present as well as future happiness, they will not neglect the acquisition of knowledge, nor delay the practice of virtue. There is an identity of interest, a mutual dependence, an intimate relationship between all things

that are good, and business prepares the way for the favourable reception of truth; as truth, virtue, and knowledge are the best friends of business. Idleness is a foe to virtue, and business conquers idleness. Poverty is an evil; but in the house of the industrious man, "Want may look in, but dares not enter." Charity is a virtue, and business gives the means as well as the disposition to be charitable. Public spirit is a virtue, and it flourishes best where trade is most respected. Honesty is a virtue, and the more nations are commercial, the more honest they are in their dealings. Patriotism is a virtue, and it exists in its purest vigour where men are free to get property, and where laws protect property. War is an evil. It is the same "man-slaying, blood-polluted, city-smiting god" now as in the days of Homer; and we believe the genius of commerce alone can effectually stay the ravages of the sword. Commerce, an important branch of business, extends civilization, equalizes the comforts of life in all parts of the globe, circulates valuable discoveries in the arts and sciences, and stimulates invention. It is favourable to establishments of learning and religion, and everywhere it is identified with improvement—improvement in mind and manners—"improvement in arts and letters—improvement in knowledge, in morals, in legislation, in laws, in liberty; and in all improvement it has led more than it has followed; it has been the pioneer much more than the fellow and companion of human advancement and civilization."

But it is needless to defend industrial pursuits from the attacks of the censorious, or enlarge upon the benefits they have conferred upon society. We have full faith in the truth of the popular notion that poverty is an evil, and wealth a blessing; but, at the same time, we hold that individual wealth is a reward too uncertain of attainment to be made an object of primary consideration. No one who has become very rich can say, in strict truth, that he "made his own money;" for no other man, by doing exactly as he did, will arrive at the same goal. Wealth may be compared to those birds that smell the hunter afar off, and fly from his approach, while sometimes an ordinary traveller may knock them down with his cane. The first great step in life is to form rational ideas of happiness—ideas worthy of immortal beings. We have the lamp of the world's experience and the Book of Wisdom to guide us, and we need not err. Independence is certainly attainable by

adhering to the laws of trade; a reasonable degree of happiness is attainable by the right management of business; but all that can be done by any one towards acquiring wealth is to place himself in the way of favourable junctures, and make himself ready for their approach; to descry opportunities at a distance, and keep his eye steadily upon them—watch all the motions that make towards them—and when the time comes, to lay fast hold, and never let go; and secondly, not to turn aside the favourable train of circumstances that may have been laid for him, by his own wilfulness, imprudence, or unskilfulness. All that can be done by books, and it is all that need be done, is to aid the judgment in distinguishing appearances, and to collect together those principles which have generally resulted in good fortune, and those which have led to ruin. A moderate desire of gain is indispensable to the coolness of judgment which can decide upon the probability of events or appreciate principles. And he who consults his true happiness will find favour in the sight of his Creator, who delights in the happiness of his creatures; will be preserved from many dangers and temptations; and will probably find that those means which he has taken to promote or secure his happiness have at the same time contributed to his worldly prosperity.

It is the design of this humble treatise to open the field of business to the view of those who have only a general notion of it; and if possible, to contribute something that will make men more successful in the attainment of happiness, and, so far as it depends upon themselves, in the acquisition of wealth.

CHAPTER II.

BUSINESS EDUCATION.—CHOICE OF A BUSINESS.

“It is the great advantage of a trading nation that there are few in it so dull and heavy, who may not be placed in stations of life which may give them an opportunity of making their fortunes,” says Addison, truly: but while any one may be a man of business who is legally competent to make a contract, and while all can find in a flourishing community stations suited to their talents and disposition,—to carry on an extended business successfully, requires powers of thought, and capa-

bilities of endurance, and a vigour of constitution that few possess. Business is a "death-potion" to many; and a more unhappy situation than an incongruity between the business and the capacity, can scarcely be imagined. It is a life-long torment, for which there is hardly a remedy, as a change of a business or profession seldom succeeds. The world argues that he who has failed in his first profession, to which he had devoted "the morning of his life and the spring-time of his exertions," is not the most likely person to master a second. It is proper, therefore, to glance at the best *temperament* for a man of business—the *most suitable education*—and suggest a few thoughts that should have influence in the *choice of a business or profession*.

I. It has been frequently remarked—and a late author* has expressed it the most forcibly—that the best temperament for great affairs is "a combination of the desponding and the resolute; or, as I had better express it, of the *apprehensive* and the *resolute*. Such is the temperament of great commanders. Secretly they rely upon nothing and upon nobody. *There is such a powerful element of failure in all human affairs, that a shrewd man is always saying to himself, What shall I do, if that which I count upon does not come out as I expect? This foresight dwarfs and crushes all but men of great resolution.*"

These are wise words. He who has an abiding confidence in his good fortune—who is sure that all will end well—that it matters little what he does, the result will be favourable—has the most happy disposition; but it is not a temperament that fits him for great deeds. And a man who wants resolution to try, to try again, will be certain never to do even moderate deeds. A combination of the apprehensive and the resolute is especially necessary in the pursuit of wealth. Fortune is proverbially fickle; business success cannot be guaranteed; and he who suffers his mind to dwell upon his future greatness—who indulges in visions of magnificence and power, and allows the love of money to become closely entwined around his heart—will be tempted to overleap himself, or be lulled into a fatal security, from which he will awake to find his happiness gone for ever with his dreams. But the true business man thinks not of the end; as there is a "powerful element of failure in all human affairs," he will probably fail; but he is *determined to*

* "Companions of my Solitude."

try, and will leave no stone unturned that will give probability of success. His thoughts are on the *means*, and not on the *end*; he wishes to hear of the dangers of the road, and the means by which they can be escaped, and not flattering tales of doubtful success. If he fail, as fail he may, he has a reserve at hand which he can fall back upon, without being bankrupt in happiness as well as fortune.

II. *The most suitable education.*—A practical education should be directed to two objects—the *cultivation of the senses*, and the *discipline of the mind* by such studies as will also be useful in themselves. It is needless to remark how important a part the *senses* perform in dealing with material objects. They are the instruments by which experiments are to be observed, and discoveries to be made; and in trade, perhaps one-half of the superiority is to be ascribed to greater accuracy of taste, smelling, sight, or feeling. Who has not been struck with admiration at the accurate observation of the Indian, by which he can retrace his steps in the most trackless wild? Who has not felt it would be an advantage to possess the blind man's acuteness of touch? "Mankind," says Dr. Hook, "have by their ingenuity wonderfully assisted the sense of sight and hearing, and have prolonged to age the advantages of youth; but it remains for them to bring their senses to the highest state of perfection and activity by judicious cultivation. It is worth remarking that even common artisans, not distinguished by any superiority of intellect, have, by exercise and patience, brought some of their senses to a degree of perfection truly astonishing. The *exercise of the senses is naturally pleasurable to children*, and may, therefore, be easily promoted and improved, and in distinguishing smell, colours, taste, and the touch of various things, the pupil will soon become expert if he have a *sufficient supply of visible and tangible objects on which to exert his attention.*" This is a subject, then, which should receive the attention of parents; and in childhood instruction may be combined with amusement.

The *discipline of the mind* is a work of longer time, and more difficult attainment; but cultivation will effect it. The mind is naturally like a colt, wild and ungoverned. It must be broken to the bit, and familiar with the rein. The great cardinal powers, Attention, Abstraction, Perception, Memory, Judgment, are in a great degree dependent for their growth and power on

culture. This constitutes the great difference between the reason of man and the instinct of brutes. They arrive at a certain point in knowledge, and there stop. The beaver displays no more originality in the construction of his dam in our Western forests now than he did before Columbus landed on our shores. The swallow builds her nest no more skilfully now than she did before the Flood. But the human intellect is susceptible of unlimited improvement, and makes the accumulated knowledge of the past the starting-point of future discoveries.

III. *The most useful studies.*—It is fortunate that those studies which best discipline the mind are, in themselves, eminently practical and useful. The Physical Sciences, Natural Philosophy, Mathematics, Chemistry, unfold and exercise the mental powers to habits of attention, method, and right trains of reasoning, and at the same time instruct how to investigate the powers of nature, the properties of material bodies, their action one upon another, and explain the qualities of those substances which the Creator has intended for the use and happiness of man. The excellent Dr. Barrow says of the mathematics, "They effectually exercise, not vainly delude, nor vexatiously torment studious minds with obscure subtleties, but plainly demonstrate everything within their reach, draw certain conclusions, instruct by profitable rules, and unfold pleasant questions. These disciplines also inure and corroborate the mind to a constant diligence in study; they wholly deliver us from a credulous simplicity, and most strongly fortify us against the vanity of scepticism; they effectually restrain us from a rash presumption, most easily incline us to a due assent, and perfectly subject us to the government of right reason."

It may be worthy of remark, that the most of those who have been distinguished in practical life have also been noted for their love of mathematical studies. Bonaparte was an eminent example. Even the classical Everett, notwithstanding his love of the ancient founts of poetry and eloquence, is compelled to admit that in England it has been observed of the study of the law—though the most difficult parts of its learning, with the interpretation of the laws, the comparison of authorities, and the construction of instruments, would seem to require philosophical and critical training; though the weighing of evidence and the investigation of probable truth belong to the province

of the moral sciences, and the peculiar duties of the advocate require rhetorical skill,—yet, “that a large proportion of the most distinguished members of the profession have proceeded from the university—that of Cambridge—most celebrated for the cultivation of mathematical studies.”

Chemistry should receive especial attention in a course of practical education. As the profits in the old channels of business become more and more reduced by competition and other causes, we must look to chemistry to discover new mines of wealth; as fertile land becomes scarcer, we must look to chemistry to teach us how to cultivate the field and the garden so as to secure the utmost in quantity, and the best in quality, of their inestimable productions. The annals of one of the early revolutions in France furnish a remarkable instance of the resources of chemistry in times of difficulty. The ports of France were blockaded; her commerce, on which she depended for her supplies of saltpetre, was interrupted; her manufactories were idle, and her soldiers useless for want of ammunition. In this distress, the ministers called upon the chemists to devise some means of relief, and they quickly informed them of the immense quantities of saltpetre which nature had deposited in her bosom; and that animal and vegetable substances, the refuse of cowhouses and aviaries, would yield still greater quantities.

Of languages, the *French* and the *German* are the most likely to be useful, and a knowledge of them may be of the greatest importance to a man of business. A young man who can correspond in these languages, and has a tolerable knowledge of business, is at any time sure of being able to obtain an advantageous situation.

IV. *The best means of attaining a practical education.*—“Everything is bought with a price;” and the price of an education is vigilance and labour. There are no royal roads to knowledge, nor patents for learning. Every one whose mind is disciplined to obedience and stocked with knowledge can call it his own work. All cultivation, that is worthy of the name, is self-cultivation.* Books, teachers, schools, colleges, are only

* I may, perhaps, frequently take occasion to furnish extracts from private letters of the Hon. John Freedley, deceased, late Member of Congress, from the Fifth Pennsylvania Congressional District. Mr. F. began life with no advantages of a school education, and with no capital but his “head and hands.” By self-cultivation he accomplished his mind to a degree perhaps

means that render the work less difficult—they surround the student with an intellectual atmosphere that prepares the mind to receive impressions. In the education of a business man, it must never be forgotten that his future life will be a life of *action*, and not of study. Great care must, therefore, be taken that the health be not impaired in a strife for useless honours—that the feelings be not suffered to grow over-sensitive in reclusive contemplation—nor the mind lose its spring and elasticity under a load of cumbersome and unpractical learning. It has been said that at least one-fourth of the students in colleges leave them with impaired health; full one-half are too sensitive to bear the rude jostlings of the world; and, perhaps, two-thirds of the balance have some defect that will seriously mar their happiness and usefulness. It is wonderful how many parents spend money, which they can ill spare, to unfit their sons for all future usefulness. A collegiate education cannot be recommended, and if attainable is not desirable. A counting-house is the business man's college. When the youth has finished his course of preparatory education at a school or private seminary, under the charge of an able instructor, who teaches as much by *conversation* as by a prescribed course, he should go into a counting-house, whatever may be his future occupation. It is there that he will learn order, method, obedience, and acquire a knowledge of life and the business of life; it is there that he will learn the value of time and the

unsuspected by any but his intimate friends; and his capital he turned to such advantage that, in less than thirty years of active life, without indulging in hazardous speculation, he accumulated a fortune of near £60,000. He will, therefore, perhaps be considered good authority in a work of this kind. The following is an extract from one of his letters written several years ago:—“Resolution is omnipotent; with proper industry, and action, and effort, there is no limit to advancement. It is not well to sit down with folded arms and point to your past works—*onward* is the word in self-cultivation. Although the last effort was commendable, the next must be better, and the next again better. The arts and sciences, rhetoric and logic, are wide fields for study, but a wider field is man and the business of man. By this, however, I do not wish to be understood as recommending to you so wide a field of study. Your books, according to the prescribed course, deserve your first attention. These require your attention during the hours of study; but in your hours of pastime, of recreation, and of pleasure, is the time to look into the world, with a determination to turn every moment to account, to profit by every passing incident, with the old philosopher's motto, ‘Higher, for ever higher.’ The observant student must and will attain the highest elevation his intellectual and physical powers are capable of. By this latter expression you will understand me as entertaining the opinion that it is not every one that is capable of reaching the highest pitch of human acquirements. - There must be *soul* and a body suited for it. There must be intellectual and physical strength. There must be a foundation to raise the superstructure upon. A puny and effeminate body never can contain the soul of a Milton, or have the Herculean intellect of a

value of money—two very important things to know. The Hon. George S. Hilliard has drawn a graphic picture with a somewhat different view, intended as a source of consolation to those who are deploring their fate that they cannot attain a collegiate education; but we use it to show the advantages of a counting-house over a college education:—"Two youths, for instance, of the same age, leave school at the same time, and one enters college and the other goes into a counting-house. And let us suppose them equally conscientious and equally disposed to make the best of their opportunities. The collegian works hard, and learns much, and acquires distinction: but in the mean time he has perhaps lost his health; for, as far as my observation goes, I should say that one-quarter, at least, of the young men educated at our colleges leave them with impaired health. From the recluse life he has led, he is likely to have awkward manners and an unprepossessing address. From not having been trained to self-control, he is perhaps impatient of contradiction and needlessly sensitive. He is probably conceited, possibly pedantic, and pretty sure to want that sixth sense which is called *tact*. He knows much of books, but little of men or life, and, from mere confusion of mind, incurs the reproach of weakness of character. On the other hand, the lad who enters a counting-room finds himself perhaps the youngest member of a large establishment; and whatever of conceit he may have brought from the village academy is soon rubbed out of him. He learns to obey, to submit, and to be patient: to

Locke, or of a Shakspeare, or of a Webster. The body, however, as well as the intellect, is susceptible of cultivation. Physical exercises are as necessary as mental ones. Firmness of purpose, and a fixed resolution which does not vary, never go hand in hand with effeminacy of body. I will finish this part of my subject at present by a quotation, which I wish you to commit to memory, and never forget:—"He that resolves upon any great end, by that very resolution has scaled the great barriers to it; and he who seizes the grand idea of self-cultivation, and solemnly resolves upon it, will find that idea, that resolution, burning like fire within him, and ever putting him upon his own improvement. He will find it removing difficulties; searching out or making means; giving courage for despondency, and strength for weakness."

"It is also reasonable for every one to believe that he is not a mere nonentity, for whom there is no course chalked out or duty prescribed, but rather to entertain the belief that he is destined, under Providence, to fill some appointed duty, and that there is a guardian spirit to whose admonitions proper deference is to be paid; and hence to consider all 'partial evil as universal good.' The idea conveyed by this line of Pope has been to me a source of much consolation through life. It teaches us to consider all disappointments as preservations from hidden snares; all adversity as chastenings for our general good. Some of the greatest men that ever lived have had strong faith in signs and omens, and in the decree of fate. But I will not enter further, at present, into this mysterious field."

endure reproof without anger, and to bear contradiction with good humour. He is obliged to keep his wits about him, to decide quickly, to have accurate eyes and truthful ears, to learn that there are just sixty minutes in an hour, and just one hundred cents in a dollar. He is compelled to bear and to forbear, to resist temptation, to struggle down rebellious impulses, and to put on the armour of a brave silence. The hours of his day come freighted with lessons of self-reliance and self-command, and the grain of his character grows firm under the discipline of life." A counting-house education will be of advantage to every man, whatever his future occupation may be. To farmers it will teach business habits and attention to accounts, which will give them increased interest and success in their business. To the mechanic it will teach order, system, management, the practical value of book-keeping, and remedy many of their deficiencies. To the professional man it will afford a clearer insight into the practical operation of business affairs, and give him facilities in obtaining practice.* The time spent in the counting-house should, of course, vary with circumstances. A youth designed for mechanical pursuits should spend probably a year; a farmer, one winter. It is generally noticed, that at the end of six months countrymen get deathly homesick; that is the time for them to leave, and they will never hanker after city life more.

A *moral* education need not be dwelt upon. Parents who read books for information, and teachers who are fit to be intrusted with the management of the young, need no arguments on this subject. This is especially a work of self-cultivation. No principles can be called temptation-proof, except those which are the result of logical conviction, and for which repeated sacrifices have been made. Facts in the subsequent pages will speak more forcibly than arguments.

It is of immense advantage to a young man, during minority, to have constant and familiar intercourse and correspondence with a man who is practised in affairs, and capable of commu-

* "A lawyer in a commercial city must not only be a merchant, a mechanic, a navigator, or seaman, so far as navigation and an acquaintance with the different parts of a vessel are concerned, but must also be able to read, speak, and translate the different languages in use in the different parts of the commercial world. *No man can try a case and do it justice unless he is perfectly master of the matter to which the dispute relates.* Hence, I have observed that those persons who have spent some time in business, either mercantile or mechanical, previous to studying law, generally succeed best in obtaining practice."—JOHN FREEDLEY.

nicating his knowledge. It is a privilege which should be valued almost above all others by those who possess it. The pupils of the Jesuits were noted for greater presence of mind in conversation, a readier recollection of their knowledge, and were more men of the world than youths brought up by any other preceptors; and this acknowledged superiority was ascribed to the fact that each pupil was allowed a certain number of hours of conversation with his superiors. An ability to communicate varied and practical knowledge by conversation is a qualification that specially fits a man to be a teacher, and it should not be overlooked in the selection of a teacher. In addition, parents who are unfitted, or too busy to discharge their share of this duty, should select a suitable man, whose business it would be to advise in the choice of books, solve the student's doubts and queries, direct his observation, converse and correspond with him during his school and business apprenticeship. A man of sound judgment and some experience should be selected; but it is not necessary that he should be distinguished for any particular success in his own affairs, for such men cannot be had, and, if they could, they would very probably be incompetent for the office. It is a singular fact that those who are the most distinguished for success in their own undertakings are the poorest of all advisers for others; while many who are keen in the originating of plans, and advising others, seem to lose their power when they come to act for themselves. There are two great classes of men in the world—men of action and men of contemplation. The former can do a thing when they are told how, and the latter know how it should be done, but cannot do it. It is very rarely that these two qualities are united in one person; and I believe that, in nine cases out of ten, the idea of those speculations and undertakings for which men have got the most credit, came to them at second-hand—they acted, while others were debating; hence it is not the most successful whose opinions are always the most valuable. To those who have no special advantages, we say, *Cultivate your senses—observe keenly—discipline your mind, especially by mathematical studies—search after and seize hold of every valuable fact—be a constant reader of useful books—and the glory of your triumph will be in proportion to the difficulties you have overcome.*

When parents have not chosen a pursuit for the young man,

and circumstances do not plainly reveal to him his true path, the *important duty of choosing a business or profession* falls upon him, and the great question, "What shall I do?" comes into his mind with a force and power that will probably be remembered in all subsequent time. "The most important thing in life is the choice of a profession," says Pascal; and I am sure it is an embarrassing one to him who is sensible of its importance. It is a choice that must be made at an early age, with few guides to direct, and in a matter in which few directions can be given.

Our first hint is in the language of an author* quoted before: "Be not over choice in looking out for what may exactly suit you; but rather be ready to adopt any opportunities that occur. Fortune does not stoop often to take any one up. Favourable opportunities will not happen precisely in the way you imagined. Nothing does. Do not be discouraged, therefore, by any present detriment in any course which may lead to something good." The first question to be settled is, What is the object in choosing a business at all? We answer, to attain independence. What is independence? He who can make something more than his necessities require him to expend is as independent as the richest of the land, and generally far more happy. How can independence be attained with the greatest certainty? No man is sure of being able to make more than his necessities will require him to expend but he who is able to perform a day's labour. A trade is a sure road to independence. "He that hath a trade hath an estate, and he that hath a calling hath an office of profit and honour." Among the ancient Jews, every one, however well educated, was brought up to a trade. At Sparta, there was a law declaring every one who refused to support his parents, when in want, infamous; but, if the father had neglected to bring up his son to some trade, the son was not bound to maintain his father, although in want. We may add, that all useful employments by which a man can earn an honest living are equally respectable in the estimation of every sensible person; and that all kinds of regular business pay equally well, in the long run, to those who are capable to conduct them.

Our second hint is, *suffer not fancy to overrule the judgment in the choice*. It has been observed that the history of the bar

* "Companions of my Solitude."

shows that those who have become the most eminent in the law had at first the greatest distaste for it. Where a man is equally adapted to two or more kinds of business, fancy may decide the choice—but it is a quality too evanescent in itself to control the judgment.

Our third and main rule is, let there be a correspondence between the prominent feature of the mind or character, and the prominent *requisite of the business*. Know thyself, and know something of the business beforehand. Every occupation has some leading, essential quality which its follower must have, or success is impossible. The great cardinal powers of business, as they may be called, are *strength, ingenuity, good address, and strong nerve or enterprise*. Some occupations require only one of these; others require a combination of them; and others, again, require a combination of some one of these essentials with other qualities, to carry them on with honour and success.

I. The occupations in which the essential requisite is *physical strength* are those of day-labourers, butchers, and farmers. A farmer will succeed best who possesses mental cultivation of the first order; but still the leading requisite of the business is physical strength, without which he cannot discharge its duties. A strong healthy boy will soon learn the art of killing and dressing an animal. Strength is also requisite to the success of a bookbinder and a wheelwright.

II. The occupations whose leading requisite is *mechanical ingenuity* are generally called trades. A tailor, shoemaker, or brushmaker need have but little ingenuity; but trades in general require a large share of it, in combination with strength, mathematical skill, and other qualifications. A machinist must have ingenuity, skill, and a considerable degree of physical strength. A carpenter must have strength, ingenuity, great skill, and an aptitude for mathematics and drawing. A stonemason must possess the same, with perhaps greater power of endurance. A jeweller must have ingenuity, good taste, steadiness, application, and a capacity to resist temptation. A clock or watchmaker must possess ingenuity, a fair education, and a persevering disposition. A cabinetmaker must have an aptitude for and a knowledge of drawing, good taste, and ingenuity. A chemist must possess ingenuity, a liberal education, a retentive memory, and a persevering disposition.

III. *Good address* presupposes some education, a genteel person, and an obliging disposition. It is the leading requisite in all trading pursuits, and is the basis of successful shop-keeping. United with fondness for books, the boy may become a bookseller; with fondness for music, a musicseller. An apothecary must possess good address, a good education, a retentive memory, and a cheerful, compassionate disposition. An auctioneer should have good address, memory, a quick eye, and shrewdness.

IV. Strong nerve, in its ordinary acceptance, is necessary to the surgeon, dentist, and probably many others. It is also used as synonymous with resolution and enterprise. It is the prominent requisite in all kinds of speculation, and, when combined with every other great and good quality, makes the merchant, the professional man, the author, and the statesman.

We need not mention the professions. They do not fall within the scope of our plan, as they are not, and should not be, money-making pursuits. No class of men in the world, considering the amount of capital expended in their education, and the amount of labour in their professions, are so poorly paid as professional men. It has been said, with emphasis and truth, that merely to obtain wealth, a man would be more likely to succeed, to begin with a wood-saw and an axe, than with an education which cost him ten years' hard labour, and all the money he could borrow. Lawyers sometimes get large fees, but they are "few and far between." Their average income throughout the United States does not exceed three hundred pounds per year, and the majority in the profession get less than that; a few get a great deal more, while many get nothing at all. Divines have one secular advantage—they can sometimes marry advantageously. Women have an idea that they make good husbands; and hence, with address, they may obtain serviceable fathers-in-law. But the professions should be chosen from other considerations than to obtain wealth. They are a splendid field for the exercise of intellect, and the gratification of philanthropy. The only worthy motive in choosing a profession is a strong desire to ameliorate the condition and amend the follies of mankind; and, to do this, previous independence is indispensable. "How absurdly those parents act," says Collyer, "who, having no fortune to give to a son, bring him up to be an attorney's clerk, and thus force him to be contented

with an income more precarious, and not much more certain, than that of a journeyman tailor ; or to become a nuisance to society by being a poor, pettifogging attorney, an employment equally base, scandalous, and injurious to society." It is to be regretted that so many young men, who could fill other stations with honour and respect, are now rushing pell-mell into the professions, without aim or object, apparently taking it for granted they were born qualified, as Minerva sprang full-fledged from the brain of Jupiter. Experience must be their schoolmaster.

CHAPTER III.

HABITS OF BUSINESS—WHAT ARE THEY?

WHEN we have chosen our business wisely—when we have become initiated in its mysteries, and our apprenticeship is drawing to a close—the great question that will frequently recur in our after-life, What shall we do? stares us in the face a second time. Shall we attempt business on our own account, or work awhile for another already established ; and how shall we be able to attain the best situation? We solicit advice from our friends, and they tell us that the world will ask us two questions, which we had better ask ourselves beforehand :—*Are you master of your business?* and *Have you habits of business?* The former is presumed ; but what is meant by habits of business?

Habits of business include six qualities :—*Industry, arrangement, calculation, prudence, punctuality, and perseverance.* Are you industrious? Are you methodical? Are you calculating? Are you prudent? Are you punctual? Are you persevering? If so, you possess what is known by the familiar term, habits of business. It is not the possession of any one of these qualities in perfection, nor the occasional exercise of them by fits and starts, as it is called, that will constitute a man of business ; but it is the possession of them all in an equal degree, and their continuous exercise as habits, that gives reputation and constitutes ability. The difference in men and their success may be attributed, in a measure, to a difference in their business habits ; and many a man has made his fortune with no other capital than their superior cultivation. In fact, a large capital and excellent opportunities, without them, will only provoke

greater disaster, and a more wide-spread ruin. Perfection in most things is unattainable; yet men have attained to a greater degree of perfection in the cultivation of these qualities than in almost anything else; and, at all events, it is certain that he who "aimeth at the sun, though he may not hit his mark, will shoot higher than he that aimeth at a bush."

Industry is the energetic engagement of body or mind in some useful employment. It is the opposite of that Indian's maxim, which says: "It is better to walk than to run, and better to stand still than to walk; and better to sit than to stand, and better to lie down than to sit." Industry is the secret of those grand results that fill the mind with wonder—the folios of the ancients, the pyramids of the Egyptians, those stupendous works of internal communication in our own country that bind the citizens of many different states in the bonds of harmony and interest. "There is no art or science," says Clarendon, "that is too difficult for industry to attain to; it is the gift of tongues, and makes a man understood and valued in all countries and by all nations; it is the philosopher's stone, that turns all metals and even stones into gold, and suffers no want to break into dwellings; it is the north-west passage, that brings the merchant's ships as soon to him as he can desire; in a word, it conquers all enemies, and makes Fortune itself pay contributions." The tendency of matter is to rest, and it requires an exercise of force or of will to overcome the *vis inertiae*. When a thing should be done, it must be done immediately, without parleying or delay. A repeated exercise of the will, in this way, will soon form the habit of industry.

Arrangement digests the matter that industry collects. It apportions time to duties, and keeps an exact register of its transactions; it has a post for every man, a place for every tool, a pigeon-hole for every paper, and a time for every settlement. A perfectly methodical man leaves his books, accounts, &c., in so complete a shape on going to bed that, if he were to die during the night, everything could be perfectly understood. Jeremiah Evarts is represented to have been a model of industry and arrangement. A friend says: "During years of close observation in the bosom of his family, I never saw a day pass without his accomplishing more than he expected; and so regular was he in all his habits, that I knew to a moment when I should find him with his pen, and when with his toothbrush,

in his hand ; and so methodical and thorough that, though his papers filled many shelves when closely tied up, there was not a paper among all his letters, correspondence, editorial matter, and the like, which he could not lay his hands on in a moment. I never knew him search for a paper ; it was always in its place." Some manifest this habit at an earlier age than others, and apparently exercise it with less difficulty ; but any one with attention may acquire it.

Calculation is the mind of business. A readiness in calculation gives a man great advantage over his less-experienced neighbour ; and many a man has brought his fish to a bad market from inability to calculate quickly and accurately. To attain the habit of quick calculation without the aid of a slate and pencil, Dr. Alcott recommends that the learner seize on "every circumstance which occurs in his reading, where reckoning is required, and, if possible, stop at once and compute it. Or, if not, let the place be marked, and, at the first leisure moment, let him turn to it and make the estimates.

"Suppose he reads of a shipwreck. The crew is said to consist of thirty men, besides the captain and mate, with three hundred and thirteen passengers, and a company of sixty grenadiers. The captain and mate, and ten of the crew, escaped in the long boat. The rest were drowned, except twelve of the grenadiers, who clung to a floating fragment of the wreck, till they were taken off by another vessel. Now is there a single person in existence, who would read such an account, without being anxious to know how many persons in the whole were lost ? Yet nine readers in ten would *not* know, and why ? Simply because they will not stop, and use what little addition and subtraction they possess.

"Long practice, it is true, will render it unnecessary for an individual to *pause*, in order to estimate a sum like that above mentioned. Many, indeed most persons, who are familiar with figures, might compute these numbers while reading, and without the slightest pause ; but it certainly requires some practice. And the most important use of arithmetical studies, except as a discipline to the mind, is to enable us to reckon without slates and pencils. He has but a miserable knowledge of arithmetic, who is no arithmetician without a pen or pencil in his hand. These are but the ladders upon which he should ascend to the science, and not the science itself."

But calculation, as a business habit, is not limited to arithmetic. It deals with principles as well as figures, and frequently arrives at principles by means of figures. It deduces the value of economy, and distinguishes between a true and a false economy. It shows that a man who spends a dollar and a half in hiring a horse, and also the greater part of the day, to purchase six or eight bushels of wheat at sixpence a bushel less than he must have given nearer home, is not so economical as he may have imagined. It satisfactorily demonstrates that honesty is the best policy, and that a rogue is a fool. I cannot comprehend the force of that philosophy which excludes calculation as an unworthy process of arriving at a right course of action. A maxim that is true can be proved to be so by any test; and in considering a principle, a man should choose that means which ordinarily yields him the greatest certainty of conviction. There is nothing debasing in reducing everything to a rigid system of calculation; and principles that will not bear it are not sound. A man takes advantage of confidence to perpetrate an act of villany; is he a wise man or a fool? How does his account stand? On the debtor side is found, the confidence of the community, which would have supported him for life, lost; his family disgraced; his happiness embittered; his soul endangered, and much more. On the creditor side is found, a temporary advantage gained, and the balance is largely against him. The man who killed his goose to get at the golden eggs has not been handed down to us as a very wise man; and Solomon says, "He that getteth riches, and not by right, shall leave them in the midst of his days, and at his end shall be a fool." Policy, right, reason, and revelation, all harmonize.

Prudence is defined to be wisdom applied to practice. As this is one of the most important of qualities, and the most difficult to describe, we subjoin the various definitions of prudence, and some general rules that may be serviceable. Under prudence are comprehended the discreet suiting and disposing as well of actions as of words in their due place, time, and manner. It is principally in reference to actions to be done, and due means, order, season, and method of doing or not doing. A man exhibits the highest prudence who places himself in such a position that, whether the principles he acts upon prove true or false, he secures a happy issue to his actions. In a case where the probabilities on the one hand somewhat preponderate over

the other, yet if there be no considerable hazard on that side which has the least probability, and a very great apparent danger in a mistake about the other, prudence will oblige a man to do that which may make most for his safety. It is always prudent in matters of importance to conceal intentions, or we may be anticipated by others; and it is generally prudent to conceal motives, letting only friends have a key to our hearts, as to our garden. It is prudent to withhold confidence from an entire stranger, and in some disagreeable cases it is prudent to do nothing.

"When a prudent man," says Chesterfield, "gets into that predicament that he must ask himself more than once what he shall do, he will answer, 'Nothing.' Where reason points out no good way, or at least none less bad than the other, he will stop short and wait for light. A little busy mind runs on at all events—must be doing, and like a blind horse fears no danger because he sees none." "I think a prudent man," says Plutarch, "ought not to permit anything at all to depend on fortune, but to trust some things to his wife, some things to his servants, and some things to his friends, while he is employing his reason about such matters as are most proper for him, and of greatest concernment." Prudence is the result of judgment. Judgment is an original faculty of the mind, which God has given to supply the want of certain knowledge, and by which a man takes a proposition to be true or false, without perceiving demonstrative evidence in the proofs. A total want of judgment cannot be supplied by art; but where the faculty exists, it may be cultivated to an extraordinary degree of accuracy.

Partnership, marriage, and the proper time or age for commencing business, are important subjects for the exercise of judgment. In any remarks on these subjects, I desire to be understood as expressing my individual opinion, and not well-settled truths, as my range of facts is limited.

Partnership is prudent or not according to the nature of the business and the relative situation of the parties. It is prudent in an extended business, where each partner will have separate and distinct duties, or where it is necessary for them to be in different places, without a constant supervision of the others. It is prudent in cases where one furnishes capital and the other knowledge, good character, and activity. It is generally prudent for clerks to take an interest in well-established houses

in which they have been employed, when they can ; and it is generally prudent for the merchants to give them an interest when they have shown themselves to be *worth £500 a year*. But it is imprudent to form an ordinary partnership to carry on a small business, where every transaction would be likely to come under the supervision of both. It is imprudent to enter into partnership with a *covetous man*, or a *very passionate man*, or an *obstinate man*, or a *vengeful man*, or a *familiar crony*, or a *man involved*, unless it be a limited partnership, with a view of saving from greater loss. And, in general, it may be said to be imprudent where the business can be managed with a reasonable degree of success without it.

"The trust reposed in copartners," says a distinguished commercial lawyer, "notwithstanding all precautions, is wholly indefinite and unlimited. And when one thinks of forming a connection of copartnership with another, he should ask himself if he is willing to trust him with the power to ruin him ; for such and no less is it. He will, therefore, be careful to consider not only his business capacity, as a man of shrewdness, of skill, of experience, but will need to look into his social and moral qualities. Is he a man of good temper, with whom difficulties will not be likely to occur ? Is he placable, one who will not lay up the memory of an accidental slight, of a heated expression, or of an unreasonable wrong, which you have done everything in your power to redress ? Is he a man keen in the pursuit of his own interest ? Will he listen to any candid views adverse to his own ? Will he, in a difference between you, be willing to unite with you in consulting mutual friends as mediators ? Are you sure of his principles ? Do you know his associates ? All these are questions not merely of taste and curiosity, but entering into the very essence of your decision as to a partner."

Marriage is a matter in which there is so little "demonstrative evidence in the proofs," that, if it were generally entered into on prudential grounds, it might be considered a test of judgment. The apostle Paul intimates that it matters little whom or from what considerations a man marries, the result will be all the same ; and mankind generally take that view, believing that possibly they will have leisure enough to repent it :—"But and if thou marry, thou hast not sinned ; and if a virgin marry, she hath not sinned. Nevertheless such shall have trouble in the flesh : but I spare you."—1 Cor. vii. 28.

The proper time or age for commencing business on one's own account is a mooted question. It is imprudent in any one to embark in business without that moderate capital ordinarily required in the business. It is imprudent in a young man to accept a loan from a money-lender, giving his friends as security, in order to get that moderate capital. *But suppose that the friends of a young man who is of age, and out of his apprenticeship, propose to furnish him the necessary capital to set up business, is it prudent in him to embark?* I will merely express a few of the arguments on both sides, and leave it to the exercise of the individual judgment. A good deal undoubtedly depends on the previous education, and the extent of his knowledge. Experience is a relative term; a man at twenty-one has frequently more knowledge than many men of forty. Knowledge, not experience, is the one thing needful. Experience is only one of the ways of arriving at knowledge. "Wise men are instructed by reason; men of less understanding by experience; the most ignorant by necessity; and beasts by nature." The mind is a thing of impulse, of quick penetration; it acquires its knowledge of life by bounds and flights. In war, literature, and statesmanship, the greatest exploits of the most renowned men have been performed at an early age. Hannibal crossed the Alps before he was twenty-four. Alexander the Great died at thirty-three. Byron wrote "*Childe Harold*" at twenty-one. Buonaparte was First Consul before he was thirty. "Of all the great human actions ever heard or read of," says Montaigne, "of what sort soever, I have observed, both in former ages and our own, more have been performed before than after the age of thirty; and oftentimes in the very lives of the same men. May I not confidently instance those of Hannibal, and his great competitor, Scipio? The better half of their lives they lived upon the glory they had acquired in their youth; great men, it is true, in comparison with others; but by no means in comparison with themselves."

On the other side, we have the general observation of mankind, that those who succeed best in business generally begin life with "an axe and a tow shirt," and work themselves gradually up. We have the facts that Girard was a poor man at thirty, and even at forty; that Rothschild did not get his capital of £20,000 till after he was thirty years old; that at thirty, Astor had not made his first thousand dollars, which, he

says, were harder to make than all the others. We have the assertion of men who have spent twenty years in their avocation, that, although they thought themselves wise when they began, they were exceedingly ignorant. We have the knowledge that an energetic prosecution of business makes large draughts on the physical constitution; and the assertion of medical men that the frame does not harden till thirty; and lastly, we have the example of our Saviour, who, although able to confound the doctors at twelve, did not commence his ministry till he was thirty years of age. Now, when doctors disagree, who shall decide? I will merely remark, that a man who has, or can obtain, a good situation, should not abandon it from slight reasons; that the task of the employed is easier than that of the employer; and that the reputation of doing business on one's own account is a consideration too trifling to influence a wise man's decision.

Punctuality is the hinge of business. It is a virtue that all men reverence in theory, but all do not carry into practice. We like a punctual man, because he respects his word, and has a regard for our convenience: we dislike an unpunctual man, because he interferes with our plans, consumes our time, causes uneasy feelings, and implicitly tells us that we are not of sufficient importance, in his estimation, to make him prompt. Punctuality has reference to time engagements, money engagements, and engagements for work. It is a quality that is usually found in connection with other good qualities, as the want of it argues the absence of other essential habits. A want of system, defective calculation, and imprudence in making promises when the probabilities of fulfilling them are very uncertain, are frequent causes of want of punctuality. To be unpunctual is sometimes considered a mark of consequence by little great men; but truly great men have always thought differently. Blackstone was punctual, and could never be made to think well of any one notoriously defective in this virtue. Lord Brougham, while a kingdom seemed to be resting on his shoulders—who presided in the House of Lords and the Court of Chancery, who gave audience daily to barristers, and found time to be at the head of at least *ten* associations which were publishing works of useful knowledge—was so punctual that, when these associations met, he was uniformly at his place in the chair when the hour of meeting had arrived.

In the complexity of business affairs, it is not always possible to be punctual in all things; but it is always possible to avoid the infliction of trouble and uneasiness. In payments of money, creditors generally compel their debtors to fix a time of payment; and these promises are made, and understood to be made, conditionally, on the fact of having the money at the time, which is not always the case. When this occurs, a punctual man will not keep his creditor in suspense as to the cause, or put him to the trouble of calling to ascertain it; but *will give him timely intimation of the fact by sending a note or an agent, or calling himself, and renew the promise.* A man who does so, though he fails a dozen times in the same transaction, is more worthy of credit than the clown who, besides keeping you out of your money, consumes your time, and causes uneasy and unhappy feelings.

Perseverance is the last of the business habits that we have to notice. It means the steady pursuit of a plan, whether good or bad; but it would be very unwise to persevere in a plan which conscience or practice had proved to be bad. In actual life, where there are so many different pursuits, and different ways of doing the same thing, it means steadiness in the execution of whatever plan is determined upon. Burgh makes mention of a merchant who, at first setting out, opened and shut his shop every day, for several weeks together, without selling goods to the value of two cents; who, by the force of application for a course of years, rose at last to a handsome fortune. But I have known, he continues, many who had a variety of opportunities for settling themselves comfortably in the world; yet, for want of steadiness to carry any scheme to perfection, they sank from one degree of wretchedness to another for many years together, without the least hopes of ever getting above distress and pinching want. There is hardly an employment in life so trifling that it will not afford a subsistence, if constantly and faithfully followed. Indeed, it is by indefatigable diligence alone that a fortune can be acquired, in any business whatever.

The accomplished William Wirt says, "That the man who is perpetually hesitating which of two things he will do first, will do neither. The man who resolves, but suffers his resolution to be changed by the first counter-suggestion of a friend—who fluctuates from opinion to opinion, from plan to plan, and

veers like a weathercock to every point of the compass, with every breath of caprice that blows, can never accomplish anything great or useful. Instead of being progressive in anything, he will be at best stationary, and, more probably, retrograde in all. It is only the man who carries into his pursuits that great quality which Lucan ascribes to Cæsar, *nescia virtus stare loco*—who first consults wisely, then resolves firmly, and then executes his purpose with inflexible perseverance, undismayed by those petty difficulties which daunt a weaker spirit—that can advance to eminence in any line.*

These are the qualities that are included in the term Habits of Business. There are many others which give value to character and accomplishment to mind, but these are *essential* to the successful prosecution of business. They are as necessary to the clerk as to the employer—to the mechanic as to the merchant—to the professional man as to the mechanic—to a man of genius as to a dull man. With them, a man of the most ordinary abilities may hope to realize a competency for himself, and, with favourable circumstances, perhaps a fortune. Without them, a man of the most brilliant genius, though he may rise speedily, and dazzle for a while, will as suddenly dart into an oblique course, and sink into oblivion. Fortunate is he who acquires them early.

CHAPTER IV.

GETTING MONEY.

"To catch Dame Fortune's golden smile,
Assiduous wait upon her,
And gather gear by every wile,
That's justified by honour:
Not for to hide it in a hedge,
Not for a train attendant;
But for the glorious privilege
Of being independent."

ST. JAMES says, "If a brother or a sister be naked, and destitute of daily food, and one of you say unto them, Depart in peace, be ye warmed and filled; notwithstanding ye give them *not*

* The magnetic needle and the weathercock have always been favourite illustrations of unsteadiness; but it seems to me that they are examples of steadiness also. The mind of a business man may be allowed to vibrate, for that the needle does; but, like the needle, it must still be constant: it should veer like a weathercock, with changing times and circumstances; but, like a weathercock, it should always show which way "the wind blows."

those things which are needful for the body, what doth it profit ?" And how can we give without first getting ? Or what excuse can there be for not having, when we might get ? To get money,* then, seems to be a religious duty, as well as a necessity and a right, and needs no other vindication.

To be charitable to the destitute is also a religious duty. But to be independent ourselves, and have the ability to be charitable to others, it is necessary to have a surplus. No one, then, has any moral right to limit his exertions by his wants. It is reasonable for every one to consider himself as destined, under Providence, to discharge some duty, or fill some station, in which money may be a valuable means ; and, as a reward for continued energetic exertion, there is a pleasure attached to the process of accumulation. It by no means follows that, because one man gets more than the necessities of life, others must want them. The earth is an inexhaustible mine, in which, if I and my neighbours work four hours a day, we may probably get sufficient for our daily wants ; but, if I continue to work longer than they do, or more skilfully, I will probably get more. The claims of the weak and the unfortunate to assistance are equally binding upon us all—those that have a surplus, and those who have not ; but with my surplus, if I choose, I can have the happiness of relieving my co-labourers from their support. The *getting* of money, and the proper *use* of money, are distinct subjects, and must not be confounded. It is right that every man should get all the money he can, under proper limitations ; it is also incumbent upon him to make good use of it, in conformity with the dictates of reason and the commands of his Creator.

"To get all we can, and keep all we get," is a doubtful natural right, and certainly only applicable in a state of nature. In civilized life, there are *limitations* upon the right of getting, and restrictions upon the right of keeping. As population increased, it may be reasonably presumed that the good old rule—

"The simple plan,
That they shall take who have the power,
And they shall keep who can,"—

Did not answer well in practice ; and men, for the better security of that which they possessed, consented to limit their right of indiscriminate acquisition by certain rules ; and upon

* I use the word *money* in its popular sense.

this consent are founded, and these rules are called, the *laws of the land*. The Creator of both world and man has been pleased to aid men on their journey to happiness, by the revelation of his will; and, in so far as it relates to the acquisition of property, the natural right of accumulation is still further limited by his will, which may be termed the *moral law*. As business became complex, it was found that the laws of the land were too general, and the obligations of morality too weak, to induce right action in all cases; and it was necessary to establish still another limitation, with the severest of all penalties to an unimbruted mind—the discountenance of *honourable men*. Hence, a man has the right, and it is his duty, to get all the money he can, consistently with a due obedience to the *laws of the land*, the *moral laws*, and the *laws of honour*.

The *laws of the land*, or *human laws*, comprehend all those rules of conduct which originate in the wisdom of man individually or collectively considered, and which are designed to regulate their behaviour to one another in society, and which are enforced by human authority and worldly sanction. They are rules of conduct, proceeding from the will of those who, by nature, are on a level with the rest of mankind, but who have the consent of the others to govern them for their temporal or political good. Every law has two branches, the one *declaratory*, and the other *penal*: the former defines the rights to be observed, or the wrongs to be eschewed; and the other signifies what penalty shall be incurred by those who disregard these rights, or commit these wrongs. Hence, there are *two* ways by which a conscientious man can obey a law that has no other sanction than the power of civil authority; the one is by observing the declaratory part of the law, and the other is by disregarding that, and suffering the penalty; in either case, the law is obeyed and satisfied. Human laws, as they proceed from men no wiser than ourselves, are full of imperfections; and he who has no other standard of morality than the laws of the land, may be, and probably is, a villain.

Moral laws are of higher origin and greater force. They are identical with the will of God, as learned from two sources: first, express revelation; and secondly, the light of nature, or the tendency of any action to promote or diminish the general happiness. Where the Great Creator has expressly made known his will, "it sure becomes the creature" to obey. "Thou

"shalt not steal" is a plain command, and plainly forbids one mode of getting money. But where His will is not so plainly manifest, we must inquire of our reason, in order to determine whether an action we are about to do be right or wrong, in view of morality. *What would be the effect on the general happiness of mankind if such action was generally permitted?* God has plainly designed the happiness of his creatures, as may be seen in the construction of the world, and of man. "If he had wished our misery, he might have made *sure* of his purpose, by forming our senses to be so many sores and pains to us, as they are now instruments of gratification and enjoyment; or by placing us amidst objects so ill-suited to our perceptions, as to have continually offended us, instead of ministering to our refreshment and delight. He might have made everything we tasted bitter; everything we saw loathsome; everything we touched astringent; every smell a stench; and every sound a discord." Whatever, therefore, would tend, if generally done or allowed, to increase the happiness of mankind, is in conformity with His will; and whatever would produce evil, or inconvenience, or misery, is a violation of the moral law. Here we arrive at the foundation of the obligation of contracts. Hence, I am obliged *to keep my word, to perform my promises, to execute my contracts*; because, if generally disregarded, there would be an end to confidence, which is essential in all the relations of life, and to the existence of happiness.

The obligation of promises is to be measured by the expectation which the promiser voluntarily and knowingly excites; and therefore Moral Philosophy, which is one of the interpreters of moral law, has deduced a rule governing the construction of contracts, which is, that

Whatever is expected by one side, and known to be so expected by the other, is to be deemed a part or condition of the contract.

Incidental to this, and included in it, there are two other rules which are of daily and hourly application in the business of life.

The first is, *that the seller is bound in conscience to disclose the faults of what he has to sell.*

The buyer expects a certain article, or an article of a certain quality,—and the seller knows that he expects it; hence he is bound to furnish such an article, or make known its faults.

The man who advances a direct falsehood in recommendation of an article is called a cheat. He who conceals faults which he knows that it possesses, acts from the same motive; viz., to procure a higher price than he could otherwise expect; and the effect to the prejudice of the buyer is precisely the same. This is a just and a practical rule, for it is obligatory on all alike, from the manufacturer to the retailer, and on all who buy and sell.*

The second rule is, that the price which the seller asks or charges for his merchandise is impliedly the market price. "Where there exists no monopoly or combination," says Paley, "the market price is always a fair price; because it will always be proportionate to the use and scarcity of the article."

"Whoever opens a shop, or in any manner exposes his goods to public sale, virtually engages to deal with his customers at a market price; because it is upon the faith and opinion of such an engagement that any one comes within his shop doors, or offers to treat with him. This is expected by the buyer; is known to be expected by the seller; which is enough, according to the rule delivered above, to make it a part of the contract between them, though not a syllable be said about it. The

* The temptations to a violation of this rule in trade, and many of the complaints of cheating, arise from two causes—a want of ability on the part of the merchant, and a want of honesty on the part of the consumer. A defective buyer is strongly tempted to sell, as he buys, an inferior article for a better. There is an unfortunate idea abroad, that "off-handedness" is a sign of a smart business man. Sellers like this quality in buyers, as it saves them trouble and gives them chances; and they always praise it. There are some men whose first thoughts are the best; but there are others, slower in conception, who affect it, and frequently find their tongues are more "off-hand" than their wits. They go off "half-cocked" in buying, and must cheat in selling, or lose. Those who are careless in buying should be careful to deal with reputable houses, who make it a point to consult the interest of the buyer, as much as to get his money.

Consumers are not always honest. Persons go into a shop, inquire for a certain article; it is shown them, and a fair price asked. At once they object, and try to get it for three-fourths its value. Probably an article worth about what they offer is shown them, leaving them to infer that it is as good as the other; they take it, and think they have got a great bargain. When they discover the difference, they complain loudly about being cheated. Is this cheating? It is an admitted exception to the rule in the case of a person who buys a horse at public auction without warranty, when it is usual to warrant, and I am disposed to consider this as another. The buyer in both cases has a compensation in the price, and the fact of its being a bargain is always sufficient to excite suspicion, and put him on his guard. This habit in customers has led some men to impose an extra price on their goods, in expectation of falling, and thus to wrong persons who act on a different plan. To avoid trouble and imposition, it seems best not to go a-shopping at all; to select reputable houses—always giving the preference to those who would be essentially benefited by our custom—from whom we buy regularly, and with whom we have a fair understanding. The one-price system is a good one, if rigidly adhered to.

breach of this implied contract constitutes the fraud. Hence, a man who disclaims such engagement, may set what price he pleases on his property."

There are many interesting questions in casuistry, which scholiasts have propounded and discussed, with various conclusions, to which we need not refer; but there is one that originated with Cicero, and, having been treated by nearly all the writers on morals since his day, we cannot omit it without incurring the charge of oddity. A corn merchant of Alexandria arrived at Rhodes, in time of great scarcity, with a cargo of grain, and with the knowledge that a number of other vessels laden with corn had already sailed from Alexandria for Rhodes, and which he had passed on the passage; *was he bound in conscience to inform the buyers of that fact?* Cicero decides that he was; Chancellor Kent intimates that he was. Dr. Dewey, in a late work, devotes one or two pages to this question, and decides that he was; but informs us that Grotius, Puffendorf, and Pothier dissent from this opinion with careful qualifications. Dr. Dewey bases his decision upon the presumption that every man in asking a price implicitly says, that the price asked is in his opinion the fair value of the article—that it is worth it. It is singular that he should make this presumption, inasmuch as he had previously laid down the true doctrine that "there can be no such thing as abstract value. The worth of a thing depends on the want of it." "The value of a thing is the market price of it. This is the only intelligible idea of value, and the only reasonable adjustment of price." Now, market price is the result of competition among buyers, and is constantly fluctuating. In the case of the corn merchant, it is to be presumed that he had little to do in fixing the price; that he took what was offered, after fair competition; or, in other words, the market price at the time of the sale, without regard to the market price some days hence, when the other vessels might arrive. Dr. Dewey states a case:—Suppose that the people of Rhodes had been suffering a famine, and this merchant had taken all their disposable property as the price of life, and borne it off, all the while knowing that bountiful supplies were at hand; what should we have said? He answers, that his perfidy would have been equal to his cruelty, and he would have been both a pirate and a villain. But scarcity is not famine. Famine, or danger of starvation, would have given

them the right to take the grain without the owner's leave, or any payment at all, except a *fair* restitution when it was in their power. We can imagine many questions that would have had as much effect in depressing the market price as the fact that other vessels might shortly arrive. Suppose that the merchant was "short" of cash; that he must sell; that there was an execution out against him, and the sheriff would be down on him in a few hours; when they could have got the grain at their own price; was he bound in conscience to reveal that fact? This is a question of superior information as much as the other. I can imagine a state of society in which my opinion in both of these cases would be in the affirmative; but it must be remembered that mercantile business is an artificial sphere, which men have created to increase their comforts and occupy their minds, and in which they have the right to lay down what rules they choose, provided they do not contravene any plain laws of nature or revelation. The golden rule, "Do unto others as you would have them do unto you," is in such cases to be interpreted with a view to established customs in trade. Wisdom consists in adopting such rules as tend to make business an agreeable pursuit; and I am seriously of opinion that it would promote the happiness of the greater number to do away with superior information in matters of contract altogether; but, while it is allowable by general consent, a man can act honestly in conformity with the rule.

There is another question. Is a man who has failed in business, and been discharged from his legal obligations *by the act of his creditors*, morally bound to pay his old debts whenever he has the means to do so? This is a delicate question, for which no rule can be given that is applicable in all cases. In the event of failure, the debtor is always bound to examine his conscience, and see whether he has acted with *fraud, misrepresentation, carelessness, or extravagance*; and if so, he is morally bound, when able, to pay to the uttermost farthing; but if he is satisfied that he has not, I cannot think that it would promote the happiness of society to establish the doctrine of moral liability. If there were any obligation resting upon men who have been bankrupts to pay their *old* debts, and they practically felt its force, the wheels of business would stop, or drag along in heaviness and labour. A load of old debts is more than poor human nature can bear; but a legal discharge, that is not also a moral

one, is a mere fiction. There need be no fear of harm in deciding this question in the negative, for honest men alone are interested in its settlement. Rogues care nothing for moral or legal obligations if they can evade them. We would say, then, that the moral liability to pay debts rests solely on the general moral obligation to perform promises. There is no scriptural injunction that I am aware of, which says, Pay your debts. It is true, St. Paul says, "Owe no man anything, but to love one another;" but this, if interpreted strictly, would prevent the creation of a debt. Debts being then not more sacred than promises, they follow the general condition of promises. Now, a promise may be released in conscience as well as at law; and when released, is no longer binding. This is evident. If I promise a man to go to a certain place, and he afterwards excuses me from going, I am certainly not bound to go, and it matters not what reasons induced the release, provided it be not compulsory, or caused by any wrongful act of the promiser; for no man has a right to take advantage of his own wrong.

In all cases of credit, where there are no words or acts of especial trust and confidence, the relation of buyer and seller, of borrower and lender, is one of mutual promise and mutual risk. The seller impliedly promises to deal fairly, and charge a profit proportionably to his opinion of the risk; and the buyer agrees to make a fair representation of his circumstances, to act with such prudence, and live with such economy, that he may reasonably hope to pay his debts; and where both parties act in good faith, but the buyer is compelled to fail, a full surrender of property is as much as the creditor can ordinarily demand in justice.

Credit originates with men of large capital, with a view to increased profit, and partakes largely of the nature of agency. Agency and credit in a commercial community are necessary and eminently beneficial; they should be used in perfect good faith, and guarded by the nicest honour; but where misfortune occurs, it is a misconception of justice that all loss shall fall on the agent, and none on the real owner of the property.

But in all doubtful questions of principle, a man must consult his own conscience, and be governed by the decision.

In the majority of failures, I believe there are circumstances known to the conscience of the individual, which render it obligatory upon him to make reparation; and all that I would

contend for is, that there shall be no universal public rule that will cast a stigma upon those who feel no such obligation. Every man knows, with as much certainty as he can know anything, whether he has a good conscience or no. The very meaning of conscience is the knowledge which the mind has of the true springs and motives that have governed the actions, and the judgment either of approbation or censure which it makes upon them; and it is well to leave a good deal, both in law and in morals, to this judgment of the individual, which he may do or not do, as he sees proper. In laying down principles, there is danger, by asking too much, of losing all. A law that is generally broken or evaded is worse than no law; a moral rule that is impracticable weakens the sense of moral obligation, and leads to a disregard of other rules of vital importance. The creed that would take away from the individual the right of controlling his actions by his judgment, and reduce everything to a system, like the theory that would deny to energy and skill rewards superior to indolence and ignorance—that would yoke the Arabian steed and the ox in the same plough—is false in policy and immoral in tendency.

The only limitation upon the indiscriminate acquisition of money that remains to be considered is that of *honour*. In a populous community, where business is complex and interest powerful, it is necessary to have a court of chancery to law and honesty. This is the object of the court of honour. Its decrees are not written in a code, nor are its proceedings regulated by rules and formulas. Its seat is in the bosom of nature's noblemen, and its power is manifested in the infinite variety of unwitnessed transactions, and the extended confidence of commercial intercourse. Without honour, commerce must stop at every step to prepare her writings; and suspicion, like a heavy armour, would impede the march of enterprise. "It ought to tempt one," says Chalmers, "to be proud of his species, when he looks upon the faith reposed in a merchant by a distant correspondent, who, without one other hold of him than his *honour*, confides to him the wealth of a whole flotilla, and sleeps in the confidence that it is safe. It is, indeed, an animating thought, amid the gloom of a world's depravity, when we behold the credit which one man puts in another, though separated by seas and continents; when he fixes the anchor of a sure and steady dependence on the reputed faith of one whom he never saw;

when, with all his fears for the treachery of the various elements through which his property must pass, he knows that, should it arrive at the door of his agent, his fears and suspicions may be at an end. We know nothing finer than such an act of homage from one being to another, when perhaps the diameter of a globe is between them; nor do we think that either the renown of her victories, or the wisdom of her counsels, so signalizes the country in which we live as does the honourable conduct of her merchants, or the awarded confidence of those men of all tribes and colours and languages, who look to our agency for the faithfulness of all management, and to our keeping for the most inviolable of all custody."

Honour is the foster-parent of credit. Who would trust his property in the hands of another, looking to the law alone for repayment? Honour is the patron-saint of business. Who would take upon himself the immense load of labour necessary to do business, if no man's word could be relied upon? Business would degenerate into petty traffic, and society retrograde into barbarism. Honour is to business men what courage is to the soldier, what zeal is to the advocate, or impartiality to the judge.

A man violates the laws of honour when he uses information confidentially intrusted to him to anticipate the informer. A man violates the laws of honour when he takes advantage of another's unskilfulness, or inexperience, or the technicalities of the law, to impose upon him. A man acts dishonourably when he does not make sacrifices to pay his debts promptly; when he gives his rivals in business a worse reputation than he knows they deserve; when he attempts to raise the market price on another buyer; when he sells below the market price to get away his neighbour's customers; when he is unmindful of favours; when he does not allow his clerks and dependents to share in his prosperity; and, in all cases, when he does acts which, if thoroughly understood, would tend to lower him in the estimation of his customers, or of any good man.

Merchants! Pardon a word of appeal. When the storms of a faithless ocean have sent your ships to the bottom; when markets fall and hope dies; when the gaunt demon of bankruptcy stares you in the face, grasp hold of the sheet-anchor of honour, and never let go. Write to your correspondents as Francis I. did to his royal mother: "All is lost but honour." The day will succeed the night; the storm will pass by; the

sun will shine again ; and " the flower will bless the cloud when it hath passed by."

Men of business ! Get money ; get an abundance of it ; but get it honourably. Elevate your business. Remember that the more elevated the business character, the more easy it will be to get money. Talk not of the baseness of commerce, or the corrupting nature of business. It is men's willingness to be corrupted that makes them corrupt ; it is men's dishonourable actions that cast a stigma upon business. Let each one who believes in the right take his stand and boldly maintain it. Frown down all tricks ; all cunning ; all those winding and crooked courses, " the goings of the serpent, which goeth basely upon the belly, and not upon the feet." Brand the man who violates confidence and abuses trust, as a thief. Remember the public credit of the nation is in your keeping. If you are tricky, faithless, and dishonourable, such will be the character of your country in all parts of the globe. Let your shops, warehouses, and marts be temples consecrated to honour. Inscribe over the doors : " Who comes within these walls is safe." Let it be said of business men, as it was said of ancient Tyre, " Her merchants were princes, and her traffickers the honourable of the earth."

" The fear o' hell 's a hangman's whip,
To hand the wretch in order ;
But where you feel your *honour* grip,
Let that aye be your border.
Its slightest touches, instant pause,
Debar a' side pretences ;
And resolutely keep its laws,
Uncaring consequences."

Having considered the limits within which we may get money, we must now proceed to inquire *how* we shall get it. It may be remarked, in the first place, that all business has its origin in wants, and the object of business is to supply wants. Hence, our first important step would be to discover or fix upon some general want which we could supply on terms as favourable as any one else can do, or, in other words, to choose some regular business, as we are presumed to have done. But, as political economists have satisfactorily demonstrated that all useful employments are equally productive and profitable (for when one is known to pay more than the average rate of profit, hundreds rush into it, and soon reduce it to the ordinary level), it is a matter of less importance what pursuit we follow, pro-

vided we are adapted to it, than how we manage it. A man who can lay by regularly £100 a year, will be certain to become a rich man if his life be spared to a reasonable age; while he who makes £2,000 in one year, and loses a larger amount the next, will very probably be dependent on the charity of friends for support in old age. A man in New York is reported to have made £12,000 by selling lead-pencils about the streets, at a penny apiece, and safely investing his profits; while it is not an unfrequent occurrence to hear of men who commenced life with a capital larger than that, afterwards reduced to the necessity of following a similar employment for a livelihood.

A man who *intends to make money*, not merely to try his chances, must look first to the *safety* of his business. It is a well-ascertained fact that those occupations which are the most *useful* are the safest, and that those commodities which can least be dispensed with, pay, in the aggregate, the largest profits. The demand for them is stimulated by actual want, and grows with every increase of the means of production. It is a comparatively rare occurrence for those who deal in superfluities to get rich, as they are subject to continual losses from changes in the fashions, and a hundred circumstances beyond their control; and Say has truly remarked, "The most fashionable tradesmen are oftenest in the list of bankrupts." Next to the supply of indispensable wants, those kinds of business are the safest which are concerned in the production, manufacture, or sale of articles of general convenience, and on which a *large percentage of profit can be made, though the cost to the consumer is inconsiderable*. Secondly, a man must look to the *safety of his investments*. Thirdly, a man who intends to make money must understand the *true principles of business*.

As this is a matter of great importance, and not well understood, we may probably derive hints that will be valuable in all kinds of business from a consideration of the best modes of managing a few of the most prominent pursuits.

CHAPTER V.

GETTING MONEY BY MERCHANDISING.

I WILL use the term Merchants in the subsequent pages in the Parkerian sense; viz., *men who buy and sell; who buy to*

sell; and *sell to buy the more*. They fetch and carry between the other classes. They are distributors; they are the merchants. Under this name I include the whole class who live by buying and selling, and not merely those conventionally called merchants to distinguish them from small dealers. This term comprises traders behind counters and traders behind desks; traders behind neither counters nor desks. There are various grades of merchants. They might be classed and symbolized according as they use a basket, a wheelbarrow, a cart, a stall, a booth, a shop, a warehouse, a counting-room, or bank. Still, all are the same thing—men who live by buying and selling. A ship is only a large basket; a warehouse, a costly stall. Your pedlar is a small merchant, going round from house to house with his basket, to mediate between persons; your merchant is only a great pedlar, sending round from land to land with his ships, to mediate between nations.

The Israelitish woman who sits behind a bench in her stall on the Rialto at Venice, changing gold into silver and copper, or loaning money to him who leaves hat, coat, and other *collaterale*, in pledge, is a small banker. The Israelitish man who sits at Frankfort-on-the-Maine, changes drafts into specie, and lends millions to men who leave in pledge a mortgage on the States of the Church, on Austria, or Russia, is a pawnbroker and moneychanger on a large scale. By this arithmetic, for present convenience, all grades of merchants are reduced to one denomination—*men who live by buying and selling*.

PRINCIPLES AND PROSPECTS OF TRADE.*

"Man," they say, "is a trading animal,"—the only one. The wants of each individual are more numerous and varied than his faculties and capacities devoted to supplying them. Each producer of necessities or comforts naturally produces a superabundance of whatever he grows or fabricates, and exchanges

* I was preparing some preliminary observations, when it occurred to me that the Hon. Horace Greeley, in his "Prize Essay on Advertising," for which he received a silver cup, had done the exact thing with great ability, and I have preferred using it. The entire "Essay" is embraced in the subject of merchandising; the first part under the head of Principles and Prospects of Trade, as above; the remainder, under the head of Advertising, in a subsequent chapter. This would not be flattering work for one who aspired to be an author, but I should be content with the reputation of being a sixteenth-rate editor, if I could aid in the circulation of useful knowledge.

it for a competence of other wares or staples adapted to his wants. The grain-grower has a large surplus of grain, but requires nearly everything else; the pinmaker consumes perhaps a dollar's worth per year of his own products, and four hundred and ninety-nine dollars' worth of other people's, obtained by the sale of his own. And as man rises in the scale of civilization, his wants are increased and diversified. He labours more, produces more, exchanges far more. The lowest savage may produce or gather twenty pounds' worth per annum, and exchange two pounds' worth of it for other necessities or comforts; while the population of the United States or Great Britain produce at least one hundred pounds' worth to each able-bodied man, whereof two-thirds at least is exchanged by producers with each other and with the producers of foreign lands; and as man shall continue to rise in the scale of intelligence, industry, efficiency, and comfort, not merely the amount, but the proportion, of each man's products exchanged for those of others, must continue to increase. The aggregate of exchanges of property is probably now expanding throughout the world at the rate of ten per cent. per annum, though the annual increase of population is less than three per cent.

But while the aggregate of exchanges is rapidly increasing, the profits of the exchanges tend steadily to diminish. It is the interest of the producers of all classes and climes to effect their exchanges with each other as directly and simply, at all events as cheaply, as possible. It matters little to the producers, as a whole, whether prices be low or high, if they be justly proportioned. If A, being a farmer in 1815, received a crown per bushel for his corn, and bought the broadcloth for his coat at five crowns per yard, and now can get just such broadcloth for two crowns and a half, while his corn will bring but half a crown per bushel, he is neither better nor worse for the change, all other things being equal. But if in 1815 he paid five bushels of corn for a yard of broadcloth, while the maker of the cloth received but four bushels, and now he gives the like five bushels per yard, but the maker receives four bushels and three pecks of corn, or their full equivalent, for every yard of cloth he turns off, then there has been a real improvement in the condition of the producers of cloth, if not of corn also. And as intelligence is diffused, and knowledge is brought to bear upon the most intimate and homely relations of life, the cost of making ex-

changes (in other words, the charges and profits of non-producing traders) must and do decrease continually.

This by no means proves that trade is poorer, nor that traders, as a class, do worse than formerly. It only proves that the number of traders cannot and does not increase in proportion with the increase of trade, without subjecting them to the necessity of taking smaller and still smaller profits. Every year the number of producers, and of customers of others' products, increase, as also the aggregate of products exchanged. Every year the construction of canals, railroads, harbours, steam-ships, and other facilities of transportation and traffic, impels greater and still greater production, with a still larger extension of commercial exchanges. The neighbourhood in the Ohio valley, which was clad in home-spun half a century since, and did not pay two guineas to each person for all its purchases from others, now wears the fabrics of Old and New England, and is a liberal patron of the spice-growers of both the Indies, the tea of China, the coffee of Brazil, and the fish of Newfoundland, probably paying six guineas per head for the products of other industry than its own, although the average range of prices is about half what it was in 1800. Trade has greatly increased, is increasing, and is bound to increase even more rapidly than it has ever yet done.

It is idle, therefore, to say that commerce is ruined, prostrate, because overdone. It is only the possibility of making fortunes by trade, with no decided capacity for the vocation, that is vanishing. The time is at hand, if not already upon us, when the mercantile is to take rank with the most intellectual and arduous of the liberal professions. The merchant of the next age must be a genius—a financier—a man born to be an efficient and beneficent distributor of the bounties of nature—of the products of human labour. If he lack these essential characteristics, let him aspire to be anything else rather than a merchant, for his own sake and that of others. An incompetent doctor may live, though his patients should not; a poor lawyer may damage his clients, yet pocket their fees; a thick-headed merchant must inevitably ruin both himself and his trusting friends. The chances that he may blunder on and dodge bankruptcy for years have grown less and less, until they are very nearly extinguished.

It is idle and mischievous to hope for large profits henceforth, save in rare, exceptional cases. The general diffusion of

intelligence, and improvement of the facilities for direct exchanges between producer and consumer, render extensive and regular trade on the old basis of small sales and large profits impossible. If the flour-dealers of New England, the coal-dealers of New York, the shoe-dealers of Ohio, will not supply their customers at moderate prices, they provoke competitors to supplant them; or, this failing, they incite consumers to combine and buy at wholesale a cargo of flour, of coal, of shoes, for themselves. Any serious attempt to restore the old system of sales on long credits to doubtful customers, but at such high prices as will compensate for the risk and delay of payment, would only serve to impel the consuming classes to withdraw more and more of their custom from traders as a class, and effect more and more of their exchanges by agencies and arrangements of their own. The practical choice of the mercantile class lies not between large and small percentages on their sales, but between small ones and none.

But small advances on cost do not imply small profits. On the contrary, there never was a time when larger profits are realized than may be now. Let us suppose, for example, that New England annually consumes ten thousand tons of western bacon, and that the quantity so consumed is annually increasing. Now, if any Boston merchant at home can manage to become the channel of interchange between the producers and consumers of half those hams, at an average net profit of two per cent., assuming the hams to be worth thirty pounds per ton, that merchant or house would clear three thousand pounds annually on bacon alone. So with flour, groceries, and everything else.

These, then, are the essential bases of a profitable and safe trade in the future: first, ability to supply the public demand on as favourable terms as any one else can offer; secondly, universal knowledge of the fact, and assurance that it may be relied on. Let a Boston dealer in flour, or meats, or cloths, or anything else, be able to supply New England with whatever he deals in at the lowest possible rate, and let all New England be assured of the fact that he can and *will* do so, and his fortune is made. No matter though his average net profit should range below even one per cent., his annual income must exceed his necessary expenses by hundreds of pounds.

The merchant, therefore, who aims to succeed in business

must aim at these two points: first, to be sure that he can satisfy a wide demand for the articles he deals in, on the lowest practical terms; secondly, that everybody within the proper scope of his business is made aware of his ability, and confident of his disposition to do so. These points attained, he has only to do his business properly, as it comes in upon him, and his fortune is secure.

Having thus settled upon the general principles and prospects of trade, we shall proceed to consider in detail—First, *What constitutes ability to supply a public demand*; secondly, *How to get customers*; and thirdly, *The characteristics and duties of the merchant, or the true man of business.*

THE FIRST REQUISITE OF ABILITY IS A KNOWLEDGE OF BUSINESS.

Every business that is worthy of the name has two departments: its *science*, to be understood by study; and its *art*, to be acquired by practice. A knowledge of both is especially necessary to the complete education of the merchant. The number of good practical business men who have failed within the last fifty years is sufficient to show that the science or principles of business have not received the study and attention which they deserve. A knowledge of the theory of a profession gives stability to character, and a disposition to act within known laws checks the temptation to sacrifice principle for a temporary end, and throws around the dull details of practice an air of intellectuality that is exceedingly attractive to an ingenuous mind. It does more. It gives wisdom in practice, and traces out consequences by the light of experience. What is science? "To know while anything is taking place what *must* follow; in other words, to know the necessary consequence of what is going on at the present moment—that is science. To know, when anything has occurred, what *must* have preceded; in other words, to know the necessary antecedents of what has occurred—that is science." It is the extracted essence of facts—the logical results deduced from repeated experiments.

Observation, conversation, and reading are the sources from which a knowledge of the theory of a profession is to be derived. The first two will furnish facts, while books will furnish facts and principles. The wisdom touching negotiation or business has not been entirely collected into writing even at this day,

though much has been done in late years ; and the student of mercantile science is compelled in a degree to depend upon his own sagacity. He must, therefore, never forget that he has two eyes, two ears, and one tongue. He must be continually on the watch for ideas which may give him a clue to that labyrinth in which few have travelled safely, and thousands have been lost. Books on general or special business should be his *vade-mecum*. They should be owned, read, and re-read. They are the experience of men who have gone over the same or a similar road ; or the thoughts of others as to its places of safety and of danger, based on the united experience of many. They cannot fail to furnish valuable hints ; and may suddenly dart into his mind an idea that will be worth thousands of pounds to him. Books of history, facts, and principles are always valuable. They deserve to be held in higher estimation by practical men than they are. They stimulate the mind to think, and suggest safe expedients in doubtful circumstances. There is an analogy between all the various pursuits of mankind—between war and speculation—between statesmanship and the management of public bodies ; and it has been remarked that those who have been distinguished for success in business are of the same stamp as those who are eminent in the walks of literature and science.

Every man and every house of business should have a library of select practical works. But many books are not desirable. It is the man of few books and much thought who wields power. A distinguished writer remarks that he never felt afraid to meet a man who has a large library. Those books should be selected which have a tendency to excite ideas in the mind of the reader, and to arouse the mental energies into action, and which afford deeper and clearer views of life and the business of life. Books are the sources from which the student should draw his first knowledge of his profession ; and he should continue to draw from this fountain through life. " What you read to-day will soon be gone—expended or forgotten ; and the mind must be continually filled up with new streams of knowledge. Even the ocean would be dried up, were the streams to be cut off which are constantly flowing into it. How few read enough to stock their minds ! And the mind is no widow's cruse which fills with knowledge as fast as we empty it. ' It is the hand of the diligent which maketh rich. ' "

But the knowledge of the *science* of his profession will not constitute any one *master of the art*. He must know not only how his trade should be performed, but how to perform it. He has a *habit* to acquire—a practical power and facility in application of principles. This is a work of time, and the result of progressive drilling and repeated effort. This is especially true of the mercantile profession, and to this end an apprenticeship is necessary. In London, it is customary to pay a fee for being taught almost any trade or calling. In the United States, apprentice fees are not customary. But they are given, in rare instances, for special reasons; as I have heard of the sum of £100 being paid for the opportunity to learn the art and mysteries of the silk business.

One of the most important objects to be acquired during apprenticeship, if not the most important, is a *judgment of the value of goods*. A man must possess this knowledge to do justice to his customers and to himself; to avoid cheating and being cheated. The want of it will blast his reputation, and defeat the best-laid plans for success. It is a defect that cannot be concealed. A shrewd seller will detect it in a buyer as quickly as an old banker will ferret out an accommodation bill; and, unfortunately, there are few who will not take advantage of it. He must, then, sell what he buys, an inferior article for a better; and this is a sure way to get a bad name and drive away custom. It is a knowledge that can only be acquired to perfection in youth. A judgment taken in early is seldom lost, as a judgment taken in late is seldom good. Here the cultivation of the senses, of which I have before spoken, is especially valuable; here the Indian's habits of close observation, the blind man's acuteness of touch, are aids to fortune.

In the dry-goods business, a *retail business* is a better school in which to attain this knowledge than a wholesale house. The wholesale merchant buys of the manufacturer under a warranty, and the principal bone of contention is the price. He sells again to the retailer, with the same warranty, or the retailer may choose or reject, without stating reasons; so that the observer, however attentive, may learn nothing. In a retail business it is different. The frugal housewife, who may be a customer of the retailer, is not so taciturn and credulous; warranties will not satisfy her; she "wants a patch to try;" and if soap-boiling, and half a day's hard labour will change it, she

will triumphantly return it in vindication of her foresight. This may be called positive evidence. Besides this, there are a hundred observations and objections made by different customers, in a retail shop, which one person would never think of, and which the young man who is desirous of improvement should use as suggestions for examination. He knows the first cost of the goods; he sees what gain or what loss is made; he is led to inquire into the reason of the difference; sees where they are deficient, and, if he is careful in his observations, he is naturally led to have a good judgment of their value.

Book-keeping, business correspondence, and their adjuncts, are of essential importance in a mercantile education. They are now regarded as such, and no deficiency need be noted. Books have been called the tradesman's repeating-clock, to tell him how he goes on. The system of book-keeping by double entry is, perhaps, the most beautiful one in the wide domain of literature or science. Were it less common, it would be the admiration of the learned world.

The object of speech or writing is to convey our thoughts so that another may understand them. Business correspondence should be plain, clear, and concise. Fine writing is ridiculous; verbose writing is tedious; while the terse, curt style, which some use, is affected. The accomplished business man should make it a point to familiarize himself with the peculiar technical terms of art which are found in every trade or calling, while he should avoid using those of his own profession when writing to men in a different occupation. Singular mistakes have occurred from a want of this understanding. I will mention one:—"A brickmaker, being hired by a brewer to make some bricks for him at his country-house, wrote to the brewer that he could not go forward unless he had two or three loads of *Spanish*; that otherwise his bricks would cost him six or seven chaldrons of coal extra, and the bricks would not be so good, and hard neither, by a great deal, when they were burnt. The brewer hereupon sends down two cart-loads, with about twelve hogsheds or casks of molasses, which frightened the brickmaker almost out of his senses. The case was this:—The brewers formerly mixed molasses with the ale, to sweeten it, and abated the quantity of malt, molasses being at that time much cheaper, and this they called *Spanish*, not being willing their customers should know it. Again, the brickmakers all about London mix sea-coal

ashes, or laystall stuff, as we call it, with their clay, and by that shift save eight chaldrons of coals out of eleven, to the burning of 100,000 bricks, in proportion to what other people burn them with; and these ashes they call Spanish; but neither the brewer on the one hand, nor the brickmaker on the other, understood any other of it than as it related to his separate business."

The object of apprenticeship is to understand a special business *thoroughly*. A man cannot be said to understand a business thoroughly, unless he is acquainted with its remote as well as its immediate connections. He must not only be a good judge of the articles in which he deals, but he should know where they are manufactured, of what, and the manufacturer's prices; how bought at first hand, the best markets to buy and to sell in, the rate of duties, &c. This information it is sometimes difficult to acquire, but "where there is a will there is a way." It is necessary in order to buy right. Even this knowledge is not enough to complete the education of the accomplished business man. He should understand more than his special business. "I have taken," says Bacon, in a letter written when he was only thirty-one, to his uncle, Lord Burleigh, "I have taken all knowledge to be my province." A merchant should take all business to be his province. He should have a familiar acquaintance with one or more kinds of business akin to his own, and a general acquaintance with all trades and business. In the course of a lifetime, he will be called upon to deal frequently with men out of his line; and without this acquaintance he cannot deal advantageously or satisfactorily. And again, wars, embargoes, inventions, and excessive competition may cause a falling-off of his special business; and he who possesses this knowledge can more readily adapt himself to another business than one who has neglected this precaution. When Napoleon's laws and decrees so seriously deranged the commerce of England, pressing necessity forced the merchants to advise that every one should make himself master of two trades.

Having completed the usual term of apprenticeship and laid the foundation of a business education, to be perfected by experience, the next grave question that will occur to the young man will be, whether he shall embark in business on his own account, or seek a situation in the employ of another. The two main points that will govern his decision in this matter, will be the *amount of his capital*, and the *probable amount of his sales and net profits*.

CAPITAL.—This, in a broad sense, means labour accumulated in such form as to facilitate future production. In a commercial sense, it means the stock of merchandise, or money, which an individual or company originally puts into the business, or that part which an individual contributes to the trading stock of a partnership when it is *first* formed. Mercantile transactions are so varied in nature and extent, that no certain amount which an individual should possess can be suggested. The only rule that can be given is, *that the capital should be adequate to the business ; that it should be increased in proportion to the business, or the business be kept down to a level with the capital.*

No one is justified in starting a business without the moderate capital usually required to carry it on, trusting to accommodations and credit for success. It has been stated that four-fifths of the men who are wealthy commenced business on borrowed capital. This may be true, but it was actually capital—borrowed for no definite period, or such length of time that it could be paid out of the profits of the business, and not from the sales of stock. No one who has tried doing a business without a suitable capital, even if he has succeeded, will advise another to attempt it. It involves an amount of anxiety, a degree of labour, embarrassment, and hazard, which it is painful to reflect upon. To do a business altogether on credit requires a fortunate combination of circumstances, to make it successful, that no prudent man would predict.

There are several important questions relating to the management of capital that deserve consideration. One very important one is,—What proportion should capital bear to liabilities in a mercantile business? In other words, how far is it prudent for a man to extend his purchases beyond his actual capital? I have taken considerable pains to learn something on this subject, but cannot boast of my success. In banking, the safe rule has been laid down to be, the proportion of three to one. Gilbert, manager of the London and Westminster Bank, says, in his *Treatise on Banking*, "Although the proportion which the capital of a bank should bear to its liabilities may vary with different banks, perhaps one would not go far astray in saying that it should never be less than one-third of its liabilities. I would exclude, however, from this comparison, all liabilities except those arising from notes and deposits. If the notes and deposits together amount to more than three

times the amount of the paid-up capital, the bank should call up more capital." In New England, the safe limit, as I am informed by David M. Balfour, Esq., is considered to be that of *two* to one. In business, one of the most eminent bankers in Europe has given it as his deliberate opinion, that a man should not extend his business to more than *three* times the amount of his capital, and if it be a large business, to not more than *twice* his capital. I presume, however, that the rule must vary with different kinds of business; but there is a limit in each particular business beyond which it is not prudent to go. A man has the right to risk his own capital, but he has no right to risk the property of others without their consent; and he can only honestly extend his business at any time, so that if his property should suddenly depreciate in value to the ordinary level of low prices, and he should meet with the average per-centage of losses by bad debts, and other risks incidental to the business, he would still be able to pay his debts. Without accurate information on these points, I think that a man whose liabilities are already three times the amount of his capital should be extremely cautious in extending his purchases, however inviting the speculation may appear; and that in the taking and giving of credit he cannot calculate with any degree of certainty in being able to meet his payments promptly, except by giving one-third less credit than he takes.*

Another question is, *How should a surplus capital be invested?* When profits have accumulated, and the business does not demand an immediate increase of capital, or when the entire capital ordinarily required is not in use, the balance is called a surplus capital. This should be invested in a good mercantile security, and held as a reserve for use when it may be needed; but I doubt whether all who are engaged in business have a clear conception of *what constitutes a good mercantile security*. I have known frequent instances of great embarrassment arising from a misconception of this point.

* Extract from a private letter of the Hon. Horace Greeley, dated April 22, 1852:—"The extent to which a trader may innocently involve himself in debt has been discussed by able writers, with varying conclusions. It is manifestly impossible to prescribe any arbitrary rule on this subject. One man may owe three times the amount of his capital, yet be perfectly and impreguably solvent, while another who owes only twice the amount of his capital may fail, and seriously injure his creditors. The obvious rule is, that no man has a right to hazard other men's property without fairly apprising his creditors of the nature and extent of the risk, and obtaining their consent to the measure. And then the debtor should be careful that he incur no responsibility that he cannot fully justify to his own conscience, and does not unalterably purpose to discharge."

It must be borne in mind that capital is of two kinds, *fixed* and *floating*. The distinction between them is, that all commodities or improvements, for which the owners only receive rent or interest, constitute fixed capital, as houses, lands, ships, machinery, &c. ; and all commodities, the *entire* cost of which is replaced out of the current income, are floating capital. The former are stationary, yield only income, and are slow of transfer ; the latter are constantly circulating, and easily convertible into cash. A reserve capital should always be easily convertible into money, as the exigencies of trade may require ; and hence it should always be invested in those commodities which constitute the floating capital of a country, as stocks, merchandise, notes, bills of exchange, &c. There are few men in this country who have more cash than they can advantageously use in their business ; and there is always an abundance of good floating securities for temporary investment. Cash and property, in merchandising, are two different things, as the business of the trader and that of the capitalist are different pursuits. The advice of the Irishman is directly applicable to men in trade, in the management of their cash :—“ Be aisy, and if you can't be aisy, be as aisy as you can ;” and we may add, when you are easy, keep easy.

To invest their surplus capital in such a way that it will be a prop and not an injury to their business, is a matter for careful consideration by men in all kinds of business, whether traders, mechanics, or manufacturers ; but what constitutes a proper mercantile security is a consideration of the first importance to *produce and commission merchants*, and to all who, being in the practice of making advances on consignments, are especially liable to error on this point. The *Economist* newspaper, some time since, contained the true doctrine on the subject. It is quite legitimate, it says, for a merchant residing at home to advance his capital on produce consigned to him from abroad, or for a merchant residing abroad to advance his capital to the producer on the spot, in anticipation of the future sales of the produce prior to its shipment. And it may even be legitimate to make advances on a growing crop, especially when the state of the law admits of an assignment of property in that state, and secures its delivery, and when the commodity does not require to pass through a manufacturing process before it is ready for market. But beyond this point, it is impossible the

merchant can pass without great hazard ; or at least without accepting what cannot be called a good mercantile security. Up to that point the repayment of his capital is guaranteed by the ultimate sale of the produce he holds, either in the form of bills of lading, dock warrants, or bills of exchange, securities representing his advances until the actual capital is again returned to him. But the moment the merchant passes this point in his advances to producers, the moment he lends money for the purchase of implements, or machinery, or land, or its improvements, on the security of the estate or its plant,—that moment he has invested his money in a fixed, in the place of floating security, which is inconsistent with his occupation as a merchant, and is calculated to be productive of great danger in the case of pressure in the money market, especially if he is otherwise availing himself much of his own credit in his business. From a neglect of this plain rule in commerce, there have been greater losses sustained than from any other cause. * * *

It is not difficult to discover the sort of irresistible means by which houses become implicated in such securities, and get their capital inconveniently looked up. First, a merchant advances on the produce of the planter ; next, competition and the urgent requests of the planter induce him to advance on the growing crop before it is in. All experience has proved that the first advance of this kind becomes a precursor of other advances which are necessary to secure the first ; until, on the arrival of a period of pressure, the merchant finds that his capital, instead of being available, as it was when in proper mercantile securities, is locked up in unavailable securities abroad ; and though he may show a large balance of property in his favour, he is reduced to the painful necessity of suspending payment.

PROBABLE SALES.—These can only be arrived at by calculation founded on data exclusively personal. The considerations which should enter into this calculation are agreeably detailed in the following pertinent anecdote, related by the editor of the *Dry-Goods Reporter* :—"A young friend of ours called on us the other day in high glee ; he was about concluding arrangements with two others to embark in the jobbing trade, and was quite sanguine of brilliant success. As we did not express full faith in his anticipations, he rather chided us for our doubts, whereupon we questioned him a little as to his prospects. At

our suggestion, he took pen and paper, and put down first of all his proposed expenses. We could see that he had not done this before, as he seemed quite startled to find that, even at the moderate estimates he had made, the total expenses for rent, clerk-hire, and living of the several partners, amounted to the snug sum of £1,745. 'Now for the amount of business,' said we. 'Oh, as to that,' he replied, 'we *hope* to sell £63,750 per annum.' 'But what amount of trade do all of you at present influence?' we asked. 'Make now a careful estimate of the business you can rely upon with some degree of certainty.' He did so, and, to his surprise, it did not quite reach £26,560. 'Now, what profit can you average upon this?' After some debate, this was set down at $7\frac{1}{2}$ per cent. This gave the sum of £1,992. 'Now, what shall we call the losses?' These were settled at $2\frac{1}{2}$ per cent. on sales, amounting to £664, leaving the net income at £1,328, or £417 less than enough to pay his estimated expenses. He left us, proposing to show the estimate to his colleagues. He did so, and, after figuring awhile without arriving at any more satisfactory result, they finally abandoned the undertaking. We have no hesitation in saying that, if all who are about to embark in trade would thus boldly look at the figures, instead of closing their eyes and *hoping* for the best, we should hear of fewer failures among business men, and there would be less complaint that 'trade is overdone.'"

We will presume that *our* friend can make better figures, or that he has a stronger faith in *things not seen*, and the next step is the selection of a

BUSINESS HOUSE.—The proper situation of a house of business is a matter of some importance. It should be situated where the principal shops in the same line of business are. It is a great mistake to choose a location because there are none others of the same trade in the immediate neighbourhood. Good customers make their purchases where the leading shops are, and, by keeping together, all will do better. Fair competition is the life of trade. Apparent opposition, yet secret partnership, has frequently made fortunes for both. This is pleasantly illustrated in the following anecdote of personal experience, related by a stage-coach traveller:—

"When I was a young man," said he, "I set up in the hat trade, and took a shop in London, where there was not a hat

shop within a quarter of a mile, thinking I should do more where there were no others; but I found that, at the end of the year, all that I made might have been put into the corner of my small eye, and not injured its sight. I sat down, one day, and, after thinking that my lot was a mighty hard one, told my boy that I was going out a while, and that he must keep a sharp look-out for customers. I went down town, and, looking around, found that two or three hatters were driving a very good trade very near together, and, passing into one shop, I found its owner quite a talkative man. We put our heads together, and, in the course of a week, the shop directly opposite his received my stock in trade, and a coat of blue paint on the outside, while his received a coat of green. The first day I did nothing but stand at the door, and look pouty at the green shop, and my friend Blake stood on his steps looking ditto at me. As people came in, I commenced running down the green shop, and Blake always ran down the blue; so between us both we built up a trade that was quite respectable. People having taken sides, and new-comers always purchasing of one or the other, we gradually grew rich, and, at the end of some dozen years, we settled up, and I found that opposition, or apparently so, had made my fortune." A retail shop should be established in some leading thoroughfare. This has been considered essential to success. It has also been strongly recommended to secure permanency in a situation once fixed upon, by a *lease*. Steady improvements in a retail business are invariably *local*, that is, they follow the stand and not the man. In a word, says some one, if your business depends upon customers, get them and keep them by staying where you are. Do not listen to the advice which certain officious friends and foolish people are continually in the habit of offering:—"Don't hamper yourself with a lease," say they, which, being interpreted into anything intelligible, means, "Don't secure the only means of security." A lease to a trader is what an anchor is to a ship,—the only *holdfast* to be relied on.

A business house should be *plain, light, and well ventilated*. It is not necessary that it be a handsome building: it is not necessary that it be handsomely fitted up. Fine fixtures and expensive ornament are out of place. It is a useless expenditure of capital, and can only be justified on the plea of custom. Marble palaces, granite buildings, pediments, columns, tiled

floors, painting, gilding, &c., have a tendency to foster a spirit of extravagance in trade that leads to ruin. These are rarely the ambitious reachings of men who have commenced life with a solid capital, or made their wealth by laudable means. "Live and let live," is their motto. Charities, city improvements, in the way of fine *public* buildings, hotels, theatres, museums, banks, parks, absorb all *their* means. Fine shops they justly consider as objectionable.

Light is a consideration worthy of attention in the selection of a shop. Customers look upon a dark shop with suspicion; they are fearful they may deceive themselves, and frequently leave without purchasing, for no other reason. Sunlight is also a matter of economy; as Franklin has conclusively shown, in one of his essays, that it is cheaper than lamp-light or gas-light. It imparts a cheerful, pleasant appearance to the shop, without that artificial glare produced by elaborate ornament, which sensible people always look upon as deceptive; and, what is of more importance still, it promotes cheerfulness of mind in the the employés, which is an essential ingredient of politeness. "Light is sweet, and a pleasant thing it is for the eyes to behold the sun."

Light is a desideratum that cannot always be obtained in cities to a necessary extent; but, were it insisted upon more than it is, an improvement would be effected. The counting-house should be light. Abundance of light prevents mistakes both in money and accounts, and saves the time that would be employed in the discovery of errors. The desk of the book-keeper should be placed so that the window will be on his left hand. In a retail shop, a capacious double window is very desirable, as it admits of variety and display.

Another consideration of especial importance is *ventilation*. Air kills more than the sword, is the translation of a Latin proverb. Medical men have written volumes on the advantages of a free circulation of air, and the unwholesomeness of confined apartments and crowded cities. In such cases, a person afflicted with consumption of the lungs may communicate the complaint to others, as they must inhale the same atmosphere he has breathed out. Ventilation is of importance to the merchant in the construction of his ships, his warehouse, his counting-house, and his residence. It is well known that there are many commodities which a confined air will affect; some change their

qualities, others are predisposed by it to decay, and some are actually destroyed. Here is a field for the exercise of science. It is also well known that a free circulation of air is necessary to decarbonize the blood, to preserve the health, and that it will prevent the liability to take cold. Where a shop or warehouse is so unfavourably located as not to allow of a natural ventilation, it may be remedied by an artificial circulation.

The treatises of Reid or of Wyman, on this subject, deserve a perusal.

As much of the time of the merchant must necessarily be spent where the air is not in its purest or freest state, *the situation of a residence* is a matter of great importance. The driest situation in a city is preferable to others; a situation whence the water flows, and where the atmosphere is most exempt from surrounding contamination. The vicinage of graveyards, marshy grounds, and stagnant pools, should be avoided. Too many trees, with dense foliage, around a dwelling, obstruct the free currents of air, and cause moist and unhealthy exhalations. In the country, the most proper site for building is "in high places and in an excellent prospect;" a dry sandy plat, rather hilly and full of "downs," is preferable to the best soil.

The old physicians recommended that the front of the house should be to the south, and one especially approves "the descent of a hill south or south-east, with trees to the north, so that it be well watered; a condition in all sites which must not be omitted." "The best sites for chamber windows," says another, "in my judgment, are north, east, and south." Lemnius attributes so much to air, and "rectifying of wind and windows," that he holds it alone sufficient to make a man sick or well; to alter body and mind. "A clear air cheers up the spirits, exhilarates the mind; a thick, black, misty, tempestuous, contracts, overthrows. Great heed is, therefore, to be taken how we place our windows, lights, and houses; how we let in or exclude this ambient air. The Egyptians, to avoid immoderate heat, make their windows on the top of the house like chimneys, with two tunnels to draw a thorough air. Many excellent means are invented to correct nature by art. If none of these courses help, the best way is to make artificial air, which howsoever is profitable and good, still to be made hot and moist, and to be seasoned with sweet perfumes, pleasant and lightsome as it may be; to have roses, violets, and sweet-smelling flowers in their windows;

a vessel of warm water to evaporate in the room, which will make a more delightful perfume, if there be added orange-flowers, pills of citrons, rosemary, cloves, bays, rose-water, rose-vinegar, benzoin, laudanum, styrax, and such like gums, which make a pleasant and acceptable perfume."

Having made due provision for what may be considered as incidental to the building, it will now become necessary to *arrange the goods*, so as to enable any given number of clerks to discharge their duties with the greatest efficiency, and so as best to attract the public eye. Little can be said on this subject that is applicable to merchandising in general, as much will depend on the nature and extent of business, and other circumstances. Besides, it is a matter that has been carried to a great degree of perfection. Some of our first-class establishments are models of order and method in this respect. Every department in the shop is alphabetically arranged. The shelves and rows of goods, in each department, are numbered, and upon a tag attached to the goods are marked the letter of the department, the number of the shelf, and row on that shelf to which such piece of goods belongs. The respective counters are designated by some imaginary colour, and the various articles belonging to that counter are painted to correspond. Each establishment has a tool-closet, with a small work-bench in it, and every tool has its place. All wrapping-paper, as soon as it is brought into the shop, is taken into the cellar, where boys cut it into sizes to suit the parcels of the different departments, and carry it there. All pieces too small for use are put into a sack, and reserved for sale. The cashier or book-keeper is responsible for all worthless money that he takes, and is paid an extra sum for this responsibility. Lads are kept to carry the bills and change from the cashier's desk to the customer, so that the salesman is not obliged to leave the counter. The proprietor's desk is on an elevated platform, facing the front, that overlooks every section of the retail department; and from this desk acoustic tubes communicate with every department in the building, by which a person in any part of it, from the garret to the cellar, may communicate with the principal without leaving his station. Every salesman has a small book in which he enters his sales as soon as made, on which his salary is calculated at a per-centage, so that at all times the proprietor can compare their respective

merits and efficiency. These matters may appear trifling; but it is by attention to small things that large fortunes are made.

Another subject of great importance is the selection and appointment of

CLERKS.—A man's powers are too limited to carry on an extensive business by his own resources alone, and he is compelled to call in the assistance of others. His selection of coadjutors may make or mar his fortune.

The chief qualifications to be sought for in a clerk, besides ability, are *honesty* and *politeness*. To ascertain the existence of honesty, no positive rule can be given. It is proper "to inquire into the parentage of the candidate. For although honesty and dishonesty do not run in the blood, yet it is probable that religious and virtuous parents have given their children a religious and virtuous education; and a youth who has been accustomed to see examples of excellence at home, will be most likely to exhibit those excellences in his own conduct. A high degree of moral principle is in itself a necessary qualification in a post of trust and responsibility, and it is usually associated with a cultivated and improved state of the intellectual faculties. If there be in the character not only sense and soundness, but virtue of a high order, then, however little appearance there may be of talent, a certain portion of wisdom may be relied upon almost implicitly. For the correspondences of wisdom and goodness are manifold; and that they will accompany each other may be inferred, not only because men's wisdom makes them good, but also because their goodness makes them wise. Although, therefore, simple goodness does not imply every sort of wisdom, it unerringly implies some essential conditions of wisdom; it implies *a negative on folly, and an exercised judgment, within such limits as nature shall have prescribed to the capacity.*" *

Politeness of manner, and patience, or a serenity of temper which nothing can disturb, are essential qualifications of a good clerk. An impertinent, impudent, or ill-tempered clerk may drive away more custom than ten good men can bring together. Serenity of temper is a virtue of which all men cannot boast—and probably without serious derogation of their character or abilities; but it is a fundamental constituent in the character

Taylor's "Statesman."

of a clerk and a business man. To command the temper is one of the first great lessons to be learned in practical life. Demetrius, king of Macedon, had a petition offered him again and again by an old woman, and always answered, he had no leisure. Whereupon the woman said aloud in his presence, "Why, then, give over to be king." We may say the same to clerks:—If you can't be polite and patient, "give over" clerking. Good health and regular exercise are necessary to maintain a serenity of temper. A tendency to *embonpoint*, or fatness, is likely to be associated with mildness of disposition. Lean men are not always patient and long-suffering. Cæsar noted this when he said,

"I fear him not: but were my name
Liable to fear, I know no man I would avoid
So soon as that *spare* Cassius."

Lean men, however, have generally by far the most talent, and manifest the greatest perseverance in enterprises that afford scope for ability. A breadth between the eyebrows is said to denote calmness; the opposite, perseverance. Impertinence or impudence in any one, or to any one, admits of no excuse, and should not be tolerated for a moment. Some of our public offices, transportation companies, &c., occasionally afford disgusting examples of impertinence, and they do themselves great injustice in tolerating it.

Clerks should be faithful to their employers, and employers should concern themselves in the welfare of their clerks. Faithfulness does not consist in the mere doing of things which we are *obliged* to do, but in the performance of acts, and in the exercise of care, which we are *not obliged* to do, and for which we receive no direct remuneration. Many young men seem to think that when they labour at the employment regularly assigned them, it is all that should be expected. It is, probably, all that is expected; but a faithful clerk will not, therefore, neglect opportunities, when, by a little extra labour—arranging a few parcels of goods, or putting down an item of account—he can do his employer great service. Some houses (I trust they are few) make it a practice to keep their clerks on their feet all the time, engaged at something, whether there is anything of importance to be done or not. This is a most unwise and unfeeling plan. When the body is wearied and exhausted, it is almost impossible to summon that cheerfulness of

spirit which is necessary to please and be pleased. Clerks should have all the rest they can get, without neglecting essential duties. Every shop, in my opinion, should have a select library of practical works, to which those who choose can have access. It is a great advantage to business men to have educated and intelligent assistants. We may use the observation of a bank manager, in advocating libraries in banks for the use of clerks:—"Their superior knowledge is always useful; the mental discipline they have acquired improves their business habits; and, possessing within themselves a constant source of enjoyment, they are the less likely to indulge in those expensive pleasures which are the usual temptations to neglect and dishonesty." A library has since been introduced into the Bank of England and the principal London banks, for the especial use of the clerks. I think there are stronger reasons for the introduction of a select business library into shops than into banks. Clerks in shops are usually less constantly occupied than in banks, and are confined for a longer period of time. The time which they can have to themselves should be devoted to physical exercise in the open air; and hence, without a library, they are likely to miss all opportunity for improving their minds by reading. Gambols or quarrels, in hours of leisure, should be discouraged.

Clerking, at the present day, is not one of the speediest ways to "put money in thy purse." Competition has not only increased the difficulty of obtaining a situation, but has reduced the *average rate of compensation*. It is difficult to say whether it is wise in merchants to allow competition to influence the amount of a clerk's salary or not. It would seem more proper to fix the amount of the salary sufficient to insure contentment in the situation, and require qualifications of zeal and efficiency that will be worth it. Competition should merely enlarge the field for making a proper selection. It certainly is not wise to pay a salary below a standard of living suitable to the sphere of society in which they are expected to move. Where clerks are chosen for the amount of trade they can influence, it is sometimes the practice to pay them only a commission on sales. This arrangement rarely lasts long, or ends satisfactorily. The interests of the clerk and the employer are, in a manner, antagonistical. It is the interest of the one to sell to everybody, and of the other only to good men; and where the latter refuses to ratify a sale which he may think doubtful, the clerk is apt

to consider himself defrauded. A certain fixed salary, with a per-centage on sales above a certain amount, is generally more satisfactory. Mr. Taylor, in his "Statesman," makes some remarks in relation to the appointment of clerks in public offices, which we may apply to mercantile life:—"There is no position so strong as that of a man who stands upon his head: and if he be not induced to the activity of just thinking and clear reasoning, he will hardly be coerced to it. Upon the whole, therefore, I would say that what is most conducive to good appointments in the first instance, and thenceforward to deriving benefit from them, is to offer small remuneration to the beginner, *with successive expectancies proportioned to the merits which he shall manifest, and of such increasing amount as shall be calculated to keep easy, through the progressive wants of single and married life, the mind of a prudent man.*"

Clerks should always share in the prosperity of a house, as they must consent to share in its ill fortune. *Gratuities* quicken zeal, strengthen fidelity, and kindle a friendship "which neither heat, nor cold, nor misery, nor place, nor destiny, can alter or diminish." *Gratuities*, kind words, and a manifestation of interest in his welfare, go further towards making a good clerk than a thousand business precepts. They give "a shock of pleasure to the frame more exquisite than nectarian juice." Harsh words—a display of passion—towards those who, by the nature of their situation, can make no defence, are not only galling to a sensitive mind, but often lead to future evils, which no opposite influences can counteract.

An old and faithful clerk is a tried friend. He should never be forgotten. I envy not the man who, while accumulating his thousands, increasing in prosperity, forgets those who have borne the heat of the battle with him: I despise the man who, when he retires perhaps to a country seat to enjoy his ease and luxuries, cares not that those who have contributed to his prosperity must seek some meaner court or alley, to reduce the expenses of an increasing family. His riches come not by right, and his end will be that of a fool. The munificent charities of Girard are merely the Egyptian spices that embalm the fame of a loathsome carcass, for he forgot the charities due to long service, and buried the heart of a man in the money-bags of the merchant.

"Masters, give unto your servants that which is just and equal, knowing that ye also have a Master in heaven."—Col. iv. 1.

CHAPTER VI.

GETTING MONEY BY MERCHANDISING—CONTINUED.

BUYING AND SELLING.—[We hoped to consider this part of our subject with comfortable feelings; but the following picture, drawn by the editor of the *Dry-Goods Reporter*, has given us a "chill."]

"The manufacturer will over-estimate his goods, that his agent may get a good price for them. The commission merchant will misrepresent his stock, or profess to have made a cash advance, when he is all the while chuckling over the sale. He will go out with a sample card of the last case to close an invoice, when he has a few more of the same sort left. He will assert, probably, that he has just sold to A, B, and C large bills of the same kinds of goods, at much higher prices than he is now asking (all of which is imaginary or grossly exaggerated), or that the house addressed (upon which he assumes a very deferential air) is the only house to whom he would offer the article in question at so low a rate. The importer will look you full in the face, and assure you that his goods *cost* him *more* than he is asking you; when, for more, you should, in truth, read *less*; or, if he have hold of a very green 'un, will pass off stale goods, which have kept shop most pertinaciously for years, as *new styles* just brought out. The jobber will go from house to house, when he is purchasing, cheapening goods; telling A that B is underselling him, inflicting the same tale on B, with a positive assurance that A has offered him the same goods at less price than B is now asking, and threatening C and D, alternately, to cease buying from them, unless each will do as well by him as he boasts he can obtain of the other. Sometimes, if he has bought a case or bale of goods a little too high, or when he has them at home, his clerks (all of whom are called to give an opinion upon it) think he has paid too much, he will send the bill back, asking a deduction, *saying* he has seen the goods elsewhere at less prices, when the fact is, he has not seen them in any other shop, and does not know where else to look for them. The retailer goes about to buy in the same way, repeating many imaginary offers of goods which have been made to him at extra low prices, and which it is a wonder he did not buy, so much does the price *seem* under the market. And yet,

when he comes to sell out those very goods, how oblivious is he of the exceeding liberal terms at which he could have purchased them ! How valuable they have become ! How *cheap* do the goods look to him now, that he pronounced so very *dear* when he purchased them ! What romances will he tell about the cost, the colours or the quality, when displaying them to a customer !

"Is that the lowest you can take for these lawns, Mr. Scissors ?"

"Yes, Miss, the very best, and a bargain they are ; I bought them at an auction, where they were sold at a great sacrifice, and I offer them to you *precisely at cost*."

"But I saw the same goods at Shears and Co.'s at sixpence a yard less."

"Not the same goods at all, ma'am ; theirs are steam colours : quite an imitation article, and not near so wide as this."

"The lady, being timid as to colours, is at last persuaded to pay the price, and the shopkeeper pockets his fifteen per cent. profit with as much complacency as if he had only drawn out his purse to give a crown in charity."

If this be an accurate sketch of buying and selling, then Ecclesiasticus is right : Sin *does* stick between the buyer and the seller as a nail between the joinings of stones. If this be true, the man who puts upon his sign, "Fair dealing done here, and no lies told," will make his fortune in a year ; for everybody must be disgusted with it by this time. Admitting its truth for a moment, what are the consequences ? Has not a lie been told without advantage ? Have not men bartered their manhood for nought ? Has either party reaped any advantage that he would not have obtained by adhering to straightforward truth ? It must be so, or we severely reflect on men's intelligence, and argue that they can be induced to buy what they do not want, by any silly tale that a weak brain can invent. The consequences are, then, that these men have needlessly added their influence to diminish the little confidence there is between man and man. They have probably sown the first seeds of deception and dishonesty in the minds of younger men, who are looking to them as examples of business tact, and which may grow up to be rank weeds and poison themselves. They have given additional cause for the contempt with which men whose occupations are less useful or noble, but whose standard of honour is higher, regard their profession.

Is lying necessary in buying and selling? This question needs but a short answer; if it is, then buying and selling are sinful, which is absurd. Many of the assertions in bargaining are mere badinage; they are substitutes for want of something better to say, and are generally an indication of poverty of wit. Many of the falsehoods in trade are about irrelevant matters, not pertinent to the bargain. *Cost* is a matter never pertinent to a sale. It is not to be presumed that a man who is in his right mind is selling at cost, and what he paid for his goods is an interesting inquiry of no practical importance. The reasons which make a man anxious to sell are sometimes, but rarely, necessary to be mentioned. Lying seems to be a natural defect in some men, and must be viewed in the same light as the well-known natural propensity for stealing. In others, it is a confirmed habit; they have lied so long and so often, that it has become a second nature to them. Loquacious men cannot always command the time necessary to stop and recollect the truth. But in no instance is the ability to lie a qualification of a good buyer or an expert salesman.

The chief qualification of a good buyer is, a judgment of goods; of a salesman, a judgment of men. Both should have a special acquaintance with the laws governing sales and contracts.

A good buyer is a man of few words. He posts himself as to the market—goes to the houses at which he usually deals, and which he first selected on account of their reputable character—asks their price—makes his offer as near the market value as he can, without comment on the prices of others; if accepted, the bargain is closed; if declined, he “don’t want it,” or will look further.

Much comment on the part of the seller he regards as an incentive to be wary, and all pretences to confidential favours, unless proved to be such by undoubted documentary evidence, as a reproach upon his understanding. When the matter is in any wise doubtful, he demands a warrant or a guarantee, as the case may require, knowing that no reasonable man can object to his securing himself against contingencies.

An expert salesman has a thorough knowledge of human nature, courteous manners, and a ready tact in adapting himself to the various humours of the buyers. He has perfect command of his business, and having purchased with care, he has no hesitation in fairly recommending his goods, or warranting

them when requested to do so. His great object or aim is, to acquire the *confidence* of the public. To this end everything must bend and tend. Truthfulness is a trump card in his hands for this purpose, and he avoids all doubtful or suspicious assertions, or favour or sacrifice, even if true, unless he has the documents at hand to prove their truth. He rarely mentions the cost of his goods, knowing well that his customers do not expect him to sell without a profit, or fearing they would disbelieve him, which would destroy confidence. He has a quick appreciation of the wants of his customers, and does not comment with equal praise on all kinds or styles of goods to all persons; but catches at the fancy of the buyer, and presses delicately upon that; or, if it is an injudicious choice, he points out its defect, and produces a more suitable article, and thus inspires confidence. He does not treat his lady customers with an impertinent familiarity, nor does he worry any one who is not disposed to buy at the time with over-ardent solicitations; but he tries to leave upon their minds such an agreeable and favourable impression, that they will be sure to call again.*

There are certain fundamental maxims ever present in his mind, and his creed runs in a manner after this fashion:—

I believe that the life of business is profit; and, as a general

* A lady friend of ours, who is *au fait* in matters of shopping, seems to intimate, in a private letter, that all who profess to be salesmen are not masters of their business. We publish an extract, "for account of whom it may concern:—"—

"Some stores in ——— Street are noted and avoided, for the impertinently familiar manner which the clerks think proper to adopt towards their lady customers. When a lady goes into the store in search of some article that she is in want of, as soon as the gentleman sees her, he comes forward, makes a grimace, pulls up his shirt collar, runs his fingers through his hair, and assumes an air of easy familiarity that is quite refreshing to look upon. It is true he may not have much sense, but then he has a wealth of smiles; indeed, to listen to his conversation with his victimized customer, a bystander might come to the conclusion that he was proprietor of the establishment, and the lady had made the article in question a mere excuse for a morning call; this is annoying; but in this case one can leave the article, and walk out: but there is one retail store in this city that is a perfect trap—once in, it is impossible to get out; if the article does not suit you, you are worried and talked at; if you attempt to move towards the door, you are run after and brought back; if you tax your genius to give a most unmistakably minute description of what you *do* want, the reply is, 'Oh, yes, madam, in the back store; if you will walk back, we have exactly the article you describe.' And so they get you further in: after looking about on the shelves, they profess to have found the object of their search, and down comes the very opposite of anything you ever wished to possess. After making half a dozen fruitless attempts to reach the street door, and being each time perseveringly caught and brought back, you give it up, and become submissive and willing to buy anything they wish you to, making at the same time a firm resolve—as you see your money going for things you don't know what to do with—that, if you live to be as old as Methuselah, you will never enter that store again."

rule, I will not make sales without profit. "To sell low for cash, never mind profits," is not my maxim.

I will sell to a punctual man at less profit than to an unpunctual one; and on a short credit lower than on a long one.

I will use every precaution with a stranger that I would wish to have done should he turn out to be a villain, and yet treat every man as an honest man until he proves to be otherwise.

Discretion in speech is more than eloquence.

"There is commonly less money, less wisdom, and less good faith than men do account upon," is an Italian proverb, and I believe a true one.

It is not all that can be sold to a customer that is well sold, but only what he can conveniently pay for. A past-due bill is a detestable object, and goods not paid for are not sold, but thanklessly given away.

I believe that rich dress, decisive tones, and confident airs are frequently assumed for sinister purposes; and I will always regard those who make a practice of talking about religion and duty on all occasions, in an affected and forced manner, with a degree of suspicion.

A sudden, bold, and unexpected question is a point of cunning in some men to entrap an unwary answer; while others seek to draw the attention from the main point of the negotiation by amusing tales and entertaining stories, as a councillor and secretary did, "that never came to Queen Elizabeth with bills to sign but that he would always first put her into some discourse of estate, that she might the less mind the bills."

Another article of his creed is to treat all men with courtesy; to give cause of offence to no man, knowing that there is none so mean that cannot do a tradesman injury. "The least fly hath a spleen, and a little bee a sting. An ass overwhelmed a thistlewarp's nest; the little bird pecked his galled back in revenge; and the humble-bee in the fable flung down the eagle's eggs out of Jupiter's lap. Bracides, in Plutarch, put his hand in a mouse's nest, and hurt her young ones; she bit him by the finger. 'I see now,' saith he, 'there is no creature so contemptible that will not be revenged.' It is *lex talionis*, and the nature of all things so to do. If thou wilt live quietly thyself, do no wrong to others."

In fine, he is a philosopher and a great man.

In buying and selling it is customary *to make discounts on merchandise*, and it is necessary to have a clear understanding of their effect. There is an essential difference between addition and subtraction, which in this instance is not always perceived. Thus, 20 per cent. added to £100 will make £120; but 20 per cent. taken off £120 will not leave £100. If A buys £100 worth of goods for £80, and B buys them for £70, how much per cent. cheaper does B buy them than A? $12\frac{1}{2}$ per cent. We know an instance, says the *Economist* newspaper of a very deserving man being ruined by a miscalculation of discounts. The article manufactured he at first supplied to retail dealers at a large profit of about 30 per cent. He afterwards confined his trade almost exclusively to large wholesale houses, to whom he charged the same price, but under a deduction of 20 per cent., believing that he was still realizing 10 per cent. for his own profit. His trade was very extensive; and it was not till after some years that he discovered the fact that, in place of making 10 per cent., as he imagined, by this mode of making sales, he was only realizing 4 per cent. To £100 worth of goods he added 30 per cent., and invoiced them at £130. At the end of each month, in the settlement of accounts, amounting to some thousands of pounds with individual houses, he deducted 20 per cent., or £26 on each £130, leaving £104 net for every £100 value of goods at prime cost, in place of £110, as he all along expected. It is by far the simplest and best plan to conduct transactions at net prices, or subject only to such moderate discount as may fairly apply to an early, in place of distant payment.

Another matter of the first importance in merchandising is *the length of credit* that is given. It will astonish any one who has never examined the subject, *how small profits on short credits will accumulate, in comparison with large profits on long credits*. One thousand pounds turned over every four months, at 10 per cent. profit, will amount, in six years, to £5,559. 18s. 4d. The same sum turned over every six months, at same profit, will amount, in six years, to .. £3,138 8 7

| | | | |
|--|-------|----|---|
| Do. every 12 months, at 10 per cent., in six years | 1,771 | 11 | 3 |
| " 18 " " " " | 1,464 | 2 | 0 |
| " 2 years " " " | 1,331 | 0 | 0 |

One thousand pounds, turned over every two years, at 20 per cent. profit, will in six years amount to 1,728 0 0

One thousand pounds, turned over every 18 months,

| | | | | |
|-------------------------|-----------------------------|--------|----|---|
| at 20 per cent. profit, | will in six years amount to | £2,073 | 12 | 0 |
| " 12 " | " " | 2,985 | 19 | 9 |
| " 6 " | " " | 8,916 | 1 | 9 |
| " 4 " | " " | 26,623 | 1 | 0 |

Thus a man may make a profit of only £728, or a profit of over £25,000 from the same capital in the same time, and by selling at the same per-centage of profit, with merely a difference in the length of credit which he gives. This is a subject that needs no argument, as every one can satisfy himself as to his own interest by his own calculations.

A merchant must *obtain information of the means and standing* of those who desire credit. This is no easy task, and many men seem to have given it up in despair. Some, having no faith in human testimony, will sell to no one on credit whom they have not known from long personal acquaintance; while others, with the same belief, take the opposite course, and sell to every one who wishes to buy, trusting to Providence for a safe deliverance from all their fears. One source of information is from houses from whom the parties applying formerly purchased. This information may be defective, as it has been known that men have recommended a bad customer to credit, in order that he might obtain from others the means to pay themselves. Other sources of information are from parties in the same trade, and from customers in the same place.

Nevertheless, the main source of information is to see the man, and hear his statements. This, like other means of information, will sometimes fail; but generally the appearance and manners of a man will show his character. A man who is not worth a dollar is frequently more worthy of credit than another who has the nominal possession of thousands. Losses almost always occur in trusting to property and reports, and not to men. "If you have a doubt whether a customer be tricky or honest, speculative or prudent," says an old banker to his fellow-craftsmen, "be guided by the first impression—we mean the impression produced by the first interview. In nine cases out of ten the first impression will be found to be correct. It is not necessary to study physiognomy or phrenology to be able to judge of the character of men with whom we converse on matters of business."

It is a good plan to expect that strangers desiring credit

should be introduced by some person to whom they are personally known, and the character of the introducer for prudence and good management should not be overlooked in judging of his friend. Where the reference is good, and the impression on the first interview favourable, it would be an excellent custom to have what might be called a Representation or Information Book, in which the party should be requested to make a statement of his business and affairs; and this statement would, in my opinion, be more accurate in the majority of cases than the report of any one else. Were it made a general rule, it would be done as a matter of course, and few who are trustworthy would object, though some would no doubt be disposed to "skulk" a statement of the cost of their living. We believe that it would materially improve the credit system to repeal the law for the collection of debts, and increase the penalties for false representation. It has been said, that if a man cheats you *once* it is his fault, but if he cheats you *twice* it is *your* fault.*

We have remarked in this chapter that both buyer and seller should understand *the law of sales and contracts*. This is necessary in order primarily to escape litigation; and secondly, to have the law on your own side when dealing with a litigious scoundrel, of whom, unfortunately, the supply is greater than the demand. Experience has conclusively convinced me that it would be positive economy for every man whose contracts are at all complicated, in fact, whose business is not of the simplest kind, to choose at the outset of his career an able attorney, with whom to consult and advise before concluding any important

* "An individual, possessed of a moderate amount of money, commences business in some thriving town. He comes to one of our wholesale markets, and with one or two commendatory letters, but particularly with his money, he soon becomes acquainted; at first, but limited; but he has only to manage his trumps (his money) with a little tact, and his acquaintance will very soon extend. At first he purchases cautiously, and meets his obligations promptly, always managing to have his goods carefully packed and marked scientifically, and placed on the street several days before he removes them,—

'Like books and money,
Laid in show
As nest eggs
To make clients lay.'

And he succeeds. He soon becomes known as a man of promptness and capital, and doing a dashing business: and such a business he does do: for the motto at home is, sell low for cash, never mind profits. His acquaintance is courted; he is bedrammed, bedinnered, and besuppered. Everything goes on swimmingly, and finally he buys largely, goes in deeply, makes one grand manœuvre,—a most prodigious swell, and then judiciously and profitably explodes."—*Cincinnati Price Current*.

These are the "suckers" our boring friends sometimes catch.

undertaking. The younger members of the profession are not to be overlooked in this choice; for, though they have of course less experience than others, they are more laborious in research, and careful to advise on the safe side. There are many able attorneys, I have no doubt, who would be willing to hold harmless of litigation all who follow their advice, for a very moderate annual sum; and it would be essentially wise to employ them. They are generally men who can see as far through a mill-stone as the miller himself, and a conversation with them will frequently remove the film with which anxious cupidity sometimes obscures the sight. To save men from lawsuits is the noblest office of their profession.

CONTRACTS FOR THE SALE OF GOODS may, in general, be either written or verbal; but, in some cases, it is absolutely necessary that they be in writing. For instance, a corporation can only bind itself by *its seal*; all contracts, therefore, with a corporate body should be made in writing, and have the common seal affixed to them. Again, the Statute of Frauds enacts that all agreements which are not to be performed within a year shall be invalid, unless reduced to writing and properly signed. And it is also declared by an Act of Charles II., still in force, that no *verbal* contract for the sale of goods of the value of £10 or upwards shall be binding, unless the buyer actually accept part of the goods sold, or give something in earnest of the bargain, or part payment of the price. Contracts are of two kinds, *express*, or *implied*. The essential legal requisites of a complete and valid contract, as laid down by the jurists, are, a person able to contract—a person willing to contract—a thing to be contracted for—a good and sufficient consideration—clear and explicit words to express the contract or agreement—and the consent of both the parties contracting. Equity will sometimes interpose, when some of these requisites are wanting, but they should be borne in mind by all.

Infants, married women, idiots, and lunatics, from the time of the finding of the inquisition, are not, as a general rule, able to contract. A person who signs an obligation while in a state of gross intoxication, may annul it. A sale by a person who has no right to sell is not valid against the claim of the rightful owner, unless the goods are sold in what is legally termed "*market overt*," that is, at the market-place, on a market day.

In London, every day excepting Sunday is a market day, and every shop in which goods are publicly exposed for sale is market overt for such things as the owner professes to trade in: in the sale of horses, however, certain formalities are rendered necessary by Act of Parliament. A sale of stolen goods in market overt passes the property in them to the purchaser; but an Act of George IV. entitles the true owner to demand restitution, if he prosecute the thief to conviction; this enactment, however, does not apply to securities and negotiable instruments in the hands of a *bonâ fide* transferee. The proper owner may take them wherever he finds them, even when the party holding them has paid the full value for them; but, in the exercise of this right, he must avoid committing a breach of the peace.

The thing sold must have an actual or *potential* existence, and be capable of delivery, otherwise it is not a contract of sale, but a *special* or executory agreement. If A sells B a horse, or a house and lot, and it turns out that the horse was dead at the time, or the house burned down, though the fact was unknown to both parties, the contract is void.

Consideration is necessary to the validity of all contracts not under seal; and the only exceptions are bills of exchange and negotiable notes, after they have passed into the hands of an innocent indorsee in the usual course of trade before maturity. The immediate parties to a bill or note, and the indorsee of a bill over due, equally with parties to other contracts, are affected by want of consideration. A valuable consideration is one that is either beneficial to the party promising, or to a stranger, or some trouble or prejudice to the party to whom the promise is made sustained at the *request* of the party sought to be charged.

Mutual consent is a requisite. Where the negotiation is conducted by letter, the contract is complete when the answer containing the acceptance is despatched by mail or otherwise, provided it be done with due diligence after the proposal, and before any intimation is received that the offer is withdrawn. On the other hand, if A makes an offer to B, and gives him a specified time for an answer, A may retract at any time before the offer is accepted, because the consent of both parties is necessary to make it a contract. (See *Stephen's Commentaries*, vol. ii., for a fuller exposition of the above principles.)

Mutuality is another essential requisite of all contracts; for

instance, an agreement by A to supply goods to B at a given price for twelve months is invalid unless B also agree to accept the goods and pay the price agreed on.

It should also be remembered that written agreements must be properly stamped before they can be admitted as evidence.

The moment that both parties have assented to the terms, the moment that one has said, "I will pay the price demanded," and the other has said, "I will receive it," the *right of property* vests in the buyer, *and the risk of accident is with him*, though he does not acquire the *right of possession* until he pays or tenders the price, unless by the terms of the contract it is otherwise provided. Where the goods are sold on a credit, the buyer has a right to possession without tender of price, unless he becomes insolvent before he has them actually in possession. On intimation of this fact, the seller has the right to retain them, or stop them on the way, called, in legal phrase, *stoppage in transitu*.

When the contract has been completed in terms, it is the duty of the seller to deliver the goods (that is, place them in the buyer's power, so that he may remove them without rightful interference, on performance of the conditions precedent on his part), and comply with his warranties, express or implied. It is the duty of the buyer to tender the price in the absence of a special stipulation, or, if they were to be paid for by note or bill, to tender one. But the word "bill" is held not to mean an *approved bill*, but a bill to which no reasonable objection can be made. A seller is not legally bound to furnish change, though the custom is such that he would find it his interest to do so.

The seller must comply with his implied or express warranties. When a man sells goods as his own, he *impliedly warrants the title*, and must make it good in case of difficulty. When the seller is manufacturer of the goods, a warranty is implied in the contract of sale, that the goods shall be reasonably fit and proper for the purpose for which they were bought, and of at least medium quality or goodness. If they come short of this, the buyer can return them, after he has had a reasonable time to inspect them. And it has likewise been held that this rule is not so limited, but extends to all cases where the buyer relies on the skill and judgment of the seller.

Express warranties have been thus defined: every affirma-

tion at the time of the sale of personal chattels or goods is a warranty, *provided it appears to have been so intended*. Mere affirmations or representations, whether oral or written, mere expressions of judgment, opinion, or belief, do not, however, constitute a warranty; it must be an assertion upon which *he intends that the buyer shall rely, and upon which he does rely*.

What would be sufficient evidence of this intention is a matter of so much nicety, that the buyer who relies at all on the warranty should always insist on express words and a direct engagement.

If there be no express warranty, and the goods be present to the parties, and no fraudulent representations be made by the seller, the purchaser will have no remedy after executing the contract, if the goods turn out to be of bad quality, unsound, or of different kind or denomination from what they were thought to be by the parties. Thus, in a case where the purchaser, being present, bought an article as Braziletto wood, and described as such in the advertisements, invoices, and bills of parcels, which turned out to be peachum wood—comparatively worthless (but the fact was not known to the seller); it was decided that the purchaser had no remedy. He must attend to those qualities which are within the reach of his observation and judgment.

It is also a general rule that each party is bound in every case to communicate to the other his knowledge of material facts, provided he knows the other to be ignorant of them, and they be not open and naked, or equally within the reach of his observation. For instance, a horse-jockey is not bound to disclose the fact that the horse is blind—because it is within the observation of the buyer to see it; but the seller of a ship, knowing of a latent defect which the buyer could not by any possible attention discover, is bound to disclose it, or the sale is void on account of fraud. Fraud vitiates all contracts.

From what has been said, it is manifestly politic to reduce to writing all contracts, especially where performance does not immediately follow the agreement, as where weighing, or measuring, or counting is necessary before the bill of parcels can be rendered; because, in these cases, there is some conflict in the law, I believe, as to who holds the right of property during the intermediate period. At all events, the party affirming an absolute sale must satisfy the jury that it was such, which he

may not be able to do without some memorandum in writing—signed by the party to be charged; and this will also prevent differences of opinion, which, though honest, are not the less vexatious. But care must be taken, in reducing contracts to writing, that they be full, and contain all the material facts, and not leave any of them to the verbal understanding of the parties; because the law will not admit verbal or parol evidence to supply, explain, or contradict a written agreement. Parol evidence is only admissible when it goes, not to contradict the terms of the writing, but to defeat the whole contract as fraudulent or illegal. All matters of negotiation antecedent to, or outside of the writing, are regarded as merged in the written agreement.

These are a few of the leading legal principles that govern contracts of sale. In consulting elementary works on the law by non-professional readers, it must always be borne in mind that every word has a meaning; and where *if, but, unless, provided*, occur in the stating of a general rule, it must not be supposed that they were introduced for literary ornament. They have, invariably, an important significance; and mean either an essential requisite or an exception to the rule.

In the application of these general rules, courts frequently give them a liberal construction, and *imply contracts* without the terms being known or expressly agreed upon by the parties. Thus, if A desires B, a shopkeeper, to send him a piece of linen, without specifying price, and B sends the linen, the law implies that A agreed to pay for it, and B can recover its fair price as well as if A had given a promise in writing. When a man employs workmen without agreeing on a price, the law implies that he agreed to pay what their services were reasonably worth. Upon the same principles of justice, it will make an individual into whose hands money, belonging to a third person, should chance to be paid, or a cargo of merchandise delivered, a trustee for such third person; and also implies that a promise has been made to pay over the money, or the value of the goods, on proper demand by the real owner. In some cases, if I expend money for the use and benefit of another, and in all cases where it is done at his request, the law presumes that he agreed to refund, though we said nothing about it. If A inadvertently pays the debt of B to C, and afterwards, on discovering the mistake, demands a return of the amount, C would be com-

pelled to refund—the law assuming that he agreed to do so, in the event of mistake. Commission merchants, shippers, &c. impliedly agree with every man who intrusts them with goods, that they will exercise such care over them as a man of ordinary carefulness would take of his own property.

We cannot better conclude our suggestions on buying and selling than by quoting Lord Bacon's observations on negotiating. They should be committed to memory, partly for use, and partly for protection against their superior use by others. "It is generally better to deal by speech than by letter; and by the mediation of a third than by a man's self. Letters are good when a man would draw an answer by letter back again; or when it may serve for a man's justification afterwards to produce his own letter; or where it may be danger to be interrupted, or heard by pieces. To deal in person is good, when a man's face breedeth regard, as commonly with inferiors: or in tender cases, where a man's eye upon the countenance of him with whom he speaketh may give him a direction how far to go; and, generally, where a man will reserve to himself liberty either to disavow or to expound. In choice of instruments, it is better to choose men of a plainer sort, that are like to do that is committed to them, and to report back again faithfully the success, than those that are cunning to contrive out of other men's business somewhat to grace themselves, and will help the matter in report, for satisfaction sake. Use also such persons as affect the business wherein they are employed, for that quickeneth much; and such as are fit for the matter, as bold men for expostulation, fair-spoken men for persuasion, crafty men for inquiry and observation, froward and absurd men for business that doth not well bear out itself. Use also such as have been lucky and prevailed before in things wherein you have employed them; for that breeds confidence, and they will strive to maintain their prescription. It is better to sound a person with whom one deals afar off, than to fall upon the point at first; except you mean to surprise him by some short question. It is better dealing with men in appetite, than those that are where they would be. If a man deal with another upon conditions, the start of first performance is all which a man can reasonably demand, except the nature of the thing be such which must go before; or else a man can persuade the other party that he shall still need him in some other thing;

or else, that he be counted the honestest man. All practice is to discover, or to work. Men discover themselves in trust, in passion, at unawares; and of necessity when they would have somewhat done, and cannot find an apt pretext. If you would work any man, you must either know his nature and fashions, and so lead him; or his ends, and so persuade him; or his weakness and disadvantages, and so awe him; or those that have interest in him, and so govern him. In dealing with cunning persons, we must ever consider their ends, to interrupt their speeches; and it is good to say little to them, and that which they least look for. In all negotiations of difficulty, a man may not look to sow and reap at once; but must prepare business, and so ripen it by degrees."

INSURANCE.—As soon as goods have been purchased or received on consignment, they should be insured. Insurance is regarded by the late ethical writers as an obligation of moral duty in all cases where the interests of creditors are endangered through neglect of it. They reason in this wise:—a merchant who trades on borrowed capital is not honest if he endangers the loss of an amount, which, if lost, would disable him from paying his debts. A man who possesses £1,000, and borrows a thousand, cannot virtuously *speculate* so extensively as that, if, disappointed in his prospects, he would lose twelve hundred. The *speculation* is dishonest, whether it succeeds or not; because it is risking other men's property without their consent. Upon the same principles, they argue, it is unjust not to insure in all cases where, if the houses or goods were destroyed by fire, the trader would be unable to pay his creditors: and the injustice consists, not in the actual loss, but in *endangering* the infliction of loss. There are but two ways, they conclude, by which the claims of rectitude can be satisfied: the one is by insurance; and the other is by informing the actual owners of the want of it, and let them run the risk. Be this as it may, the charge is trifling, and not to be compared with the comfortable feeling of security that results.

It is probable that all men feel it to be their duty to insure: the cause of the neglect is generally procrastination. It is postponed from day to day, until by-and-by a sense of security arises, and they begin to calculate how much they have saved by not insuring, and then abandon the idea altogether: others,

who are cramped for money, think that they cannot conveniently spare the premium. Let all remember that delays are dangerous. It is only men of large property who can afford to neglect insuring: with them the occasional loss of a house or two would not amount to so much as the premium of insurance on all their property. Men of limited property cannot do this: they should *insure*, not only their houses, but their goods; not only their dwellings, but the furniture in them.

Some care, however, must be taken in the selection of an office. In all parts of the country there are good and bad, honourable and dishonourable offices, and in making choice, the attention should be directed particularly to inquire, as far as possible, how they have settled their losses with men of limited influence. The great complaint against insurance offices of all kinds, is a disposition to resist the payment of policies by quibbles and litigation. Men of extensive influence, and those who will be likely to make a noise, may never have an opportunity to observe this trait; but attention to the law proceedings in courts will show that men of less influence have frequently just cause of complaint. Offices that manifest the faintest indications of a disposition of this kind should be avoided.

It is their business, or it should be, to take risks against everything but fraud, and then they should receive the universal support of the community.

INSURANCE ON LIFE is a device of man—some say of the Devil, since Solomon made the smart remark that “there is no new thing under the sun.” It was in 1706 the first life insurance office, the Amicable, commenced business, amidst many prophecies of failure, and loud denunciations that it was flying in the face of Providence. Its plan was to insure all, the young and the old, the sick and the sound, at one uniform rate of \$5 per cent. per annum, and £7 per cent. entrance-money, and it succeeded. Other offices soon followed in England and in other parts of Europe; but the French, to maintain their usual consistency of character, decreed it unlawful; “because it is an offence against public decency to set a price upon the life of a freeman, which is above all valuation.”

The system of life insurance is now firmly established in Europe, especially England; is rapidly growing into favour in

the United States; and is daily becoming an essential ingredient in all the pecuniary transactions of the provident. It is the *duty* of every man, whose income depends on his own exertions, to lay up a small portion of his earnings, to provide for that day when his family shall be deprived of his ability to support them. A saving of elevenpence a week, by a man aged thirty, will secure £100, payable at his death, whenever it may happen. A man of small means, who neglects this duty, *endangers* the future happiness and comfort of his family, when he might avoid it, in case he should die within the next year, or the next ten years.

Savings Institutions and Life Insurance Companies are both valuable and commendable, and it is prudent to avail oneself of both. Let the man who thinks he should leave his family £3,000 at his death, insure his life for £1,500; and whenever he pays the premium on that, deposit a similar amount in the Savings Bank, and, in any event, he will be certain to leave his family above destitution. The objections to a sole reliance on these banks are, that they do not provide against early casualties; require an immense deal of fortitude in pinching times to add to the deposits, or to keep from drawing them out and using them; and they have a tendency to produce a close and miserly disposition. Life insurance is free from these objections, and is unquestionably good, I think, in principle; it needs, and is daily receiving, improvement in practice, but requires greater safeguards by law.

There are three kinds or classes of Life Assurance Companies. The first and oldest is the proprietary or Joint-Stock Company. They are established in the same manner as other joint-stock companies, have an actually paid-up capital, insure for certain fixed sums, without any participation in the profits, which are divided among the proprietors of the capital stock. Their peculiar advantages are, the security of the subscribed and actually paid-up capital, and, where not limited by state legislation, also the private wealth of the individual partners. If incorporated, however, the individuals are not liable beyond the amount of their stock, unless expressly made so in their charter or by-law. No stockholder is liable beyond the amount of instalments remaining unpaid on his shares.

The second class, and by far the best, in my opinion, may be termed the mixed—they are joint-stock companies with a paid,

up capital; but, instead of giving merely fixed sums to the insured at the termination of life, they, after paying the stock-holders simple annual interest, and setting aside a contingent fund, divide the balance of the net profits among those who have taken out policies for life, and generally in the proportion of one-third to stock-holders and two-thirds to policy-holders. They combine the advantages of security of capital and a participation in the profits.

The other kind is the *mutual*, which is similar in principle and organization to the Mutual Fire and Marine Insurance Companies. The act of incorporation usually prescribes that the company shall not issue a policy until a certain sum, say £5,000, is subscribed, the *premium* on which is their capital. In mutual offices, the whole profits, after deducting expenses and a proportion for a guarantee fund, are divided among those who are holders of policies for life. Every one insured is, during the existence of the policy, a partner in the concern, and is mutually insurer and insured. Though they have no previously paid-up capital, experience has thus far proved that they are equally secure with the others, every one insured having an interest in its prosperity; and they possess, in an eminent degree, the ingredients of popularity and usefulness.

In selecting an office, care must first be taken as to its security, and its reputation for good management, which is the main thing; and then particular care must be taken in answering the questions in regard to the diseases which you have had, that nothing be omitted, whether it be material or immaterial. It is better not to insure at all, than, after paying premiums for years, your family finds the policy void, after your death, on account of some omission or misstatement. I would advise every one who is not well acquainted with legal significations, to select an office in which all policies are declared indisputable.

It is true that all generally settle their losses with liberality, and competition increases the security in this respect; but no wide-awake man should take a policy that will extend throughout years, with no stronger guarantee than the liberality of a corporation. The few policies which I have seen make the truth of one's own statement the basis of the contract, which is more reasonable; but assurance offices, of *all kinds*, should adopt the principle of rendering every policy issued indefeasible and indisputable, and the fact of issuing the same, sufficient evidence

of the validity of the policy. Those offices that adopt this principle should, other things being equal, receive the preference.*

We must now leave the first division of our subject. We must now consider ourselves prepared to supply a public demand, and inquire *how we shall get customers.*

CHAPTER VII.

GETTING MONEY BY MERCHANDISING—CONTINUED.

How to Get Customers.

IN the progressive stages of civilization, men have held many erroneous ideas, and have been chargeable with much folly; but I am not aware that at any time, or in any age, they considered it sufficient to place themselves in one of the "main grooves of human affairs," and wait for fortune. Mercantile men have certainly never entertained the idea that all that is necessary, in order to do business, is to open a shop or store and stock it with merchandise. To take some means to inform the public of the nature of their business, and solicit their patronage, has ever been a matter of primary importance. In the middle of the seventeenth century, the shopkeepers of London made known their business *vivâ voce*. The masters or proprietors would take a turn before their doors, crying out, "What d'ye lack, sir? what d'ye lack, madam?" and then run over a list of the commodities they dealt in, and when tired, the task was assumed by the apprentice; thus making the city a Babel of strange sounds.

This democratic era was succeeded by the age of signs, which genius soon improved and ornamented by all imaginable devices. Painting, gilding, boars' heads, flying dragons, and flying swans, were conspicuous emblems. As the capabilities of the printing press were developed, shrewd men saw in it a chance to "universalize their sign-board;" they saw they could place upon it, not only their name and number, but a full account of

* "A short rule for ascertaining the expectation of life, according to the Northampton tables, is to take the age from the number 86, and then divide by two." Thus a man 40 years of age will live, upon the general average, 23 years; for 86 less 40 is 46, which, divided by two, leaves 23. The expectation, at birth, is 25 years, and at one year 32. These are exceptions to the rule. The value of a policy, in case the insured wishes to sell, is considered worth about one-third of the whole amount of premiums that have been paid.

their stock, and their range of prices ; they saw that they could challenge the attention not only of those who passed by their shop, but of men in all places, and at all times. The present is the era of advertising. Advertising is the best mode of *drawing* buyers that I can suggest. By means of it, men can sell articles that are valueless, *and make fortunes by it* ; why should not those who have valuable articles to dispose of ? An extensive system of advertising is invariably resorted to by those who have trash to dispose of, and it succeeds ; how much easier, then, to sell a useful and valuable article ? *Advertising* and *politeness* are the main levers to get customers. Advertising will draw them, ability to fill their orders will satisfy them, and politeness will induce them to buy.

ADVERTISING.*—"To the merchant or dealer who is sure of his ability to fill orders on the most favourable terms, the attainment of an adequate publicity is the matter of primary concern. If his circle of trade is properly the district in which he lives, then he should take effectual measures to let every family in the district know what he sells, and on what conditions. It is idle to speak of the cost as an impediment. He might as well object to the cost of sheltering his goods from bad weather, protecting them from thieves, or dealing them out to customers. All the other cost of his business is incurred without adequate motive or return, so long as the essential element of his business is neglected or scrimped. If his location and his stock only entitle him to expect the custom of his own township and neighbourhood, then he should incur the expenses of fully informing that locality. Just so with the wholesale merchant who aspires to a custom co-extensive with his State, his section, or the whole Union. If he is prepared to satisfy so wide a demand on favourable terms, the expense of apprising those whom he desires for customers of the nature of his business, the character of his stock, the range of his prices, and the reasons why he should be dealt with, is one which he cannot refuse to incur without gross incompetency and ruinous prodigality. By thus refusing, he increases his expenses for rent, lights, fuel, clerk hire, &c., from one-half per cent. to three, five, and in some cases ten per cent. on his aggregate sales, and renders it morally impossible that he should sell at a profit,

* Conclusion of Horace Greeley's "Prize Essay on Advertising."

and at the same time sell as cheaply as his more enterprising and capable rivals. In effect, he confesses defeat and incapacity, and retreats to the rear-rank of his vocation.

"Some men who know enough to advertise are yet so narrow as to confine their advertisements to journals of their own creed or party. If they do not choose to trade with any but men of like faith, this is wise; but if they desire to have the whole public for customers, it is otherwise.

"There is a large class who delight to shine in newspapers and placards as wits and poets, and announce their wares in second-hand jokes, or in doggrel, fit to set the teeth of a dull saw on edge. If their object is notoriety or a laugh, this is the way to attain it; but if it be business, it would seem better to use the language of business. Leave clowns' jests to the circus, and let sober men speak as they act, with directness and decision. The fewest words that will convey the advertiser's ideas are the right ones.

"Men of business are hardly aware of the immense change which a few years have wrought in the power of a public press. A few years since, a circulation of three thousand copies was a very large one for a daily paper. Now there are journals issuing forty to fifty thousand copies daily, while lists of ten to twenty thousand are frequently and rapidly increasing. As a general rule, an advertisement in a paper now will meet the eyes of four to ten times as many persons as a like announcement would have done twenty years ago. It is easy to place one where it will meet the eyes of one hundred thousand persons within two days, or, by using half a dozen papers, to challenge the attention of half a million of persons. When it is practicable to attain such publicity at the cost of a few pounds, and when some actually *do* attain it, how can those who neglect it expect to build up a new business? An old one may subsist until its customers gradually drop off by death or removal; but he who would build up a business now must be 'like the time,' and improve the advantages it offers. Foremost among these is the facility now so cheaply afforded for general advertising. To neglect it is like resolving never to travel by steam or communicate by telegraph. It is to close one's eyes to the light, and insist upon living in perpetual darkness. An individual may do this at his own cost; but a community—a class, will never act so insanely; and he who neglects the advantages of adver-

tising, not only robs himself of his fair advantages, but bestows the spoils on his wiser rivals."

POLITENESS is also a powerful lever in the hands of an able man. In the course of a business lifetime, there are many opportunities for a merchant to enlarge the circle of his friends by leaving a favourable impression on the minds of strangers. Strangers frequently call to get some information which is interesting or beneficial to themselves, and this is a golden opportunity. A shrewd, polite man will invariably satisfy their inquiries with manifest goodwill, to the best of his ability—a fool will invariably think himself too busy, when there is no immediate prospect of gain. As the life of the merchant is the favourable opinion of the public, a shrewd man will seize hold of every opportunity to add to his troop of friends—a fool will make a neutral his enemy.

Politeness has been defined to be *the art of showing men, by external signs, the internal regard we have for them*. It indicates a good heart and a wise head. It is not limited in its expression to set forms or ceremonies, nor can it be learned by any system of rules. The same wisdom that appreciates its value will direct in the choice of the external signs by which to manifest it, and form the manners.

Mankind are naturally polite. There is nothing so graceful in its gestures and winning in its ways as an unspoiled child. It seems to be the private mark of the great Creator, stamped on the infant's brow by the manufacturer's own hand, to tell the world that he is of the family of man. Its import is understood in every language and in every clime. But, like any other private mark, men may scratch it off, and make themselves beasts—they may counterfeit it, and make themselves fools—or they may set it off, polish it, exhibit it, and make themselves gentlemen. Politeness has a great affinity with nature. It is oftener found "in lowly sheds with smoky rafters, than in tapestry halls and courts of princes." Men in cities are liable to become unpolite. They are liable to contract a contempt for their species. They become acquainted with their vices and familiar with their miseries, and soon lose that internal regard and reverence which one human being should have for another. The cultivation of the mind and of the heart will check this tendency; and I regard it no small com-

mentation of a mercantile life that it demands a close attention to the forms of politeness, even if the essence be wanting. Motives are inscrutable to mortal ken, and the man who shows that he is desirous of pleasing another may charitably be presumed to have some internal regard for him. The merchant of the present and the next age must be a polite man. The boors have had their day. Henceforth, they will only succeed where gold can be picked up as the Israelites did the manna. Competition, in less fortunate places, will drive them to their proper vocation of tending swine.

Politeness is never a trifle, and there are no trifles in business. Small things may produce mighty consequences. Every one who has risen to eminence from a humble station can, if he will take the trouble, point to the precise period in his life when a change was unexpectedly wrought in his favour; and, if he examines closely, he will find it associated with some trivial circumstance, or caused by some humble instrument. One morning a poor old soldier called at the shop of a hairdresser, who was busy with his customers, and asked relief, stating that he had stayed beyond his leave of absence, and, unless he could get a lift on the coach, fatigue and severe punishment awaited him. The hairdresser listened to his story respectfully, and gave him a guinea. "God bless you, sir!" said the veteran, astonished at the amount. "How can I repay you? I have nothing in the world but this," pulling out a dirty piece of paper from his pocket; "it is a receipt for making blacking; it is the best that was ever seen; many a half-guinea I have had for it from the officers, and many bottles I have sold; may you be able to get something for it to repay you for your kindness to the poor soldier!" That dirty piece of paper was the receipt for the renowned Day and Martin's blacking; and that hairdresser the late wealthy Mr. Day, whose manufactory is one of the ornaments of London, and whose palace in the Regent's Park rivals in magnificence the mansions of the nobility.

"There is a tide in the affairs of men,
Which, taken at its flood, leads on to fortune:
Omitted, all the voyage of their life
Is bound in shallows and in miseries."

It is a wise ordination of Providence that we cannot foresee the golden moment of opportunity, so that we may plant ourselves on the rock of principles which the wisdom of ages has built up, and that we may at all times hold ourselves in readi-

ness to embrace opportunity. Were it otherwise, we should have no present interest to act prudently, and could afford to indulge in negligence.

It is well always to remember that relations in business are continually changing. The stranger of to-day may be the creditor of to-morrow; and the harsh creditor of one week may be an unfortunate debtor in the next. Banks sometimes shut down, and a loan would be convenient. A better than Shylock might answer to the man, who considered it unnecessary to be polite to strangers or inferiors,

"You spurn'd me such a day; another
You call'd me dog; and for these *courtesies*
I'll lend you thus much money."

It is a matter of daily observation that the Jews are more successful in money-getting than any other people. As rich as a Jew is a proverb. How to account for this—to what cause to ascribe it—has no doubt been a puzzle with many. If the following statement be correct, there is no difficulty in accounting for it:—"The politest people in the world are not the French, the English, the American, the Italian, nor the German, but the Jewish. For the Jews are maltreated, and reviled, and despoiled of their civil privileges, and their social rights; yet are they everywhere polite, affable, insinuating, and condescending. They are remarkable for their industry and perseverance; indulge in few or no recriminations; are faithful to old associations; more respectful of the prejudices of others than these are of theirs; not more worldly-minded and money-loving than people generally are; and, everything considered, they surpass all nations in courtesy, affability, and forbearance. Few persons excel in address a bright and polished Jew. There is no rusticity among that people." Whether the representation be correct or not we scarcely know, as the majority of the reputed Jews in this country, especially those in the clothing trade, are a mongrel race; but it is certain that, by doing likewise, we would be on the high road to success.

Politeness is not inconsistent with firmness. It is only the polite man who dares at all times to refuse doing that which his judgment condemns. "Most men," says Lord Clarendon, "are slaves because they cannot pronounce the monosyllable 'No.' A polite man may pronounce it whenever he chooses, with less danger of offence than a rude man's 'Yes.'"

Politeness is not *inconsistent with a proper degree of spirit*. When we have to deal with a bully, resistance is our only alternative. Any sign of deference or submission will only provoke increased rudeness. A polite man never undervalues himself. He that suffers himself to be ridden, says Burton, or that, through pusillanimity or sottishness, will let every man baffle him, shall be a laughing-stock to flout at. As a cur that goes through a village, if he clap his tail between his legs, and run away, every cur will insult over him; but if he bristle himself up, and stand to it, and give a counter-snarl, there's not a dog dares meddle with him. There is much in a man's courage and discreet carriage of himself.

Politeness is not *inconsistent with religion*. It is a mistaken notion that some professors of religion seem to have, that bluntness is a mark of sincerity. Young men frequently complain that they take advantage of interviews on business to read moral lectures, and enforce doctrinal points. As I am not of the brotherhood, I will merely commend to their attention an observation of Brother Sharp's, in Discourse VIII., vol. v. "As for our Saviour, he was a person so far from being morose or reserved in his carriage, or a lover of singularity, so far from setting up a way of conversation of his own making, distinct from the way he found in the world, that he was the most free, obliging, civil, and, if I durst use the word, I would say the most *complacent* person that ever appeared in the world." A careful observance of his sermon on the Mount will make a polite man.

Politeness has no identity with foppery, prudery, pomp, or affectation. These are its counterfeits. The choice of the external signs or manners is, as was said before, a matter for the exercise of individual wisdom. Polite men have not always the most finished manners, nor are those who have the latter always polite. In forming the manners, what is borrowed from study or observation must be adapted to the natural character, or it will not set well. That which is eminently becoming in one man is the opposite in another. Manners are best taught in childhood and youth, and when acquired later are rarely perfect. But care must be taken that the mind be not confused by many rules, nor overwhelmed by minute observations. Chesterfield wrote three volumes on the graces to his son, and, as might have been expected, he made a very awkward booby

of him. To have the desire of pleasing always uppermost in the mind, is the main thing. He who manifests a desire to please under all circumstances and to all men, is a polite man, whatever may be his manners. But the latter are by no means to be despised, and he who possesses them in perfection, or can attain them, is a fortunate and a well-armed man.

The Rev. John Todd, in his work to students, gives some hints for the cultivation of politeness that are worthy of attention.

His *first* rule is, that "*Good-humour is essential to politeness,*" and by good-humour he says he means "the habit of being easily pleased." It must arise from kind feelings within, and it may be an encouragement to know that every exercise of these kind feelings will surely increase them; so that what is begun as a duty will soon become a pleasure. "We all know that outward expressions of kindness have no value any further than as they are an index of the feelings within; but it is a kind provision of Providence that even the outward expression of kindness has a tendency to cultivate the feelings of good-will."

2. *That the cultivation of the conscience will increase your politeness.*

"The very spirit of the Gospel is that you love your neighbour as yourself; and all know that is true politeness: so that, when you see an impolite man make great pretensions to religion, you give him credit for having probably deceived himself. You may now be able to think of a man who is notorious for being wicked. Look at him, and see if he be not far from being a man of politeness. Look again, and see if his wickedness did not first commence at the point of being impolite towards men; for impudence towards men will almost invariably lead to disrespect of God; so that he who begins by throwing aside kind and proper feelings towards his fellows, will most assuredly end in despising the commands of his Maker. The best way, then, to become a man of politeness, is to begin with the heart, to act on the principle of making every one as happy as in your power, because you would have all others do so to you."

3. *Cheerfulness is essential to a polite man.*

"A gloomy, melancholy man can never think of much except himself. He cannot forget so important a personage to attend

to you. He may have cause for all his bad feelings, sufficient to excuse them; but you cannot count any of them as being very kindly towards others. For the purpose of appearing cheerful, you must really feel so; and to feel cheerful you must be in good health. No one can feel cheerful with a severe toothache upon him, or while turning and tossing under a burning fever. Your health must be good, and kept good by a frugal diet, and a regular course of exercise. It is impossible for the mind to be cheerful, and the spirits buoyant, without this. No man ought to undertake to pass himself off in company, or expect to render himself even tolerably agreeable, for a single day, unless he has prepared himself by some suitable exercise. The cheerfulness and buoyancy of a hunting-party is proverbial; it is owing to the fact they are all taking an agreeable exercise, without having an object before them of importance enough to do anything more than barely excite them. There is no real life but cheerful life; therefore valetudinarians should be sworn, before they enter into company, not to say a word of themselves until the meeting breaks up."

"The cultivation of friendship will add to your politeness; for, so far from rendering the heart selfish by giving warm affections to a few choice friends, it will become more generous towards others." "He that has no one to love or to confide in, has little to hope. He wants the radical principle of happiness; and he who wants this, will in vain strive to be a happy man, or to confer happiness upon others."

The propriety of dwelling upon this subject so long may be questioned, but its importance must be my excuse. Politeness is an important agent in getting money, and, what is better still, it makes business an agreeable occupation. When business men neglect politeness towards each other, the world will be a bear-garden, and business a treadmill. It is the life, animation, beauty, poetry of business, that gives it all its flavour. It is a virtue, too, that needs, and will bear extension. *Merchants are polite enough to customers who buy goods, and to those who pay money, but all are not always polite to inferiors, and to those who come to receive money.* The man who cannot bear dunning should not run in debt; and the man who is insulting, when dunned, should feel the virtue of the law. Clerks are polite enough to their superiors in power, but they are not always polite to strangers who ask from them information within their

knowledge. But the main deficiency in politeness is found in what are called the lower and the higher classes. Professional men are rarely polite. They seem to rely upon their character and talents for success, and hence despise the small courtesies of life. Let a stranger go into their offices, and ask some slight information, and it is ten chances to one that he will not receive a satisfactory reply. No station, rank, or talents can ever excuse a man for neglecting the civilities due from man to man.

When Clement XIV. ascended the papal chair, the ambassadors of the several states represented at his court waited on his holiness with their congratulations. As they were introduced and severally bowed, he also bowed to return the compliment. On this, the master of ceremonies told his holiness that he should not have returned their salute. "Oh, I beg your pardon," said he; "I have not been pope long enough to forget good manners."

It is well to remember that the end of business is happiness, and all that we gain on the road is so much clear gain. Much of life is necessarily passed in business pursuits, and all have an interest in making its transactions as pleasant and agreeable as possible.

"To know
That which before us lies in daily life,
Is the prime wisdom; what is more, is fume
Or emptiness, or fond impertinence,
And renders us in things that most concern us
Unpractised, unprepared."

The third and last part of our subject, "The characteristics and duties of the merchant or the true man of business," is treated of in the following chapter by the Hon. Horace Greeley, whose able Essay on Advertising, which we have given before, made me solicitous to obtain his views for the benefit of my readers, and who, so far as my experience goes, may be cited as a pattern of the true business courtesy, as he is an example of industry and self-cultivation. Mr. Greeley may entertain notions on matters purely speculative, with which we cannot accord, but none can deny him eminent sagacity in the management of his own business, sincerity of purpose, moral uprightness, and a remarkable vigour of thought and expression. He may think that the whole machine of society should be taken apart and remodelled, while we think it only needs some repairs to work capitally well; but this does not affect the value of his judgment on the proper mode of making the

repairs, if that is the course determined upon. In the following original and excellent Prize Essay, written for this work, he has shown how men may make their business more successful, and at the same time benefit their fellow-men, and we solicit for it a candid and attentive perusal, in the hope that, if the judgment approves, correct sentiments will beget correct conduct.

CHAPTER VIII.

GETTING MONEY BY MERCHANDISING—CONCLUDED.

The True Man of Business.—By Horace Greeley.

“ ‘As a nail sticketh fast between the joinings of the stones,’ says Ecclesiastious, ‘so doth sin between buyer and seller.’ The writer does not mean to assert this as an unvarying fact, but to indicate a general tendency. There is temptation, there is peril to integrity, in the position and attitude of a trader; and this danger should be pointed out, so that it may be avoided. It is a fearful thing to stand face to face with the fact, that if I were only able to buy such a one’s property, or sell him mine, before he could receive the news brought from Europe by the last steamship, my fortune would be made. It must be hard for a merchant to know that if to-day’s telegraphic despatches would only embody the news, even though false, of a killing frost throughout the cotton-growing region, or the conflagration of all the mercantile quarter of New Orleans, he would be solvent and wealthy, while in the absence of such tidings he must inevitably suspend payment. Mercantile integrity is subjected to trial of which the farmer or artisan lives and dies in happy unconsciousness,—trials none the less real, that we all know how false and fleeting is the success or deliverance achieved through wrong-doing. For ages, for centuries, men have repeated, parrot-like, the axiom that ‘Honesty is the best policy;’ yet how many profoundly realize its truth? How many really believe that a man in pecuniary difficulty, who might extricate himself by a night of fortunate gambling, would be most unwise in consenting to do so? It is so easy to be superficially honest, in the absence of any strong temptation to knavery, that a great many who are ingrained rascals have never yet suspected the fact. A youth launches gaily and

hopefully on the sea of active life, and sails smoothly on its placid bosom, impelled by gentle, favouring gales, unthinking of peril, and unsuspecting the neighbourhood of adversity—what can he learn from such a voyage? In the absence of danger, what is proved by his freedom from fear? Blest with abundance and ease, what merit is there in his refraining from deception and robbery? And thus it chances that very much which passes current for honesty is only undeveloped or undetected knavery.

“Integrity is the corner-stone of the character of the true man of business, in whose absence the whole edifice topples to its ruin. It is quite possible, nay, it is notorious, that dishonest men have acquired wealth by traffic; but they are exceptions to the general rule, and their success, hollow and unreal at best, was a consequence of some good quality they possessed, and not of their lack of the best quality of all. If twenty have succeeded out of one hundred merchants who have traded in any country, or in any particular block in some city, at least fifteen of them would prove, on a careful scrutiny, to have been more upright and conscientious than the great mass of their less fortunate rivals. Vainly shall a man hope to live and thrive by buying and selling, after his neighbours, his customers, have learned by sad experience that his word is not reliable; that his representations of the cost or quality of his wares are not to be trusted. Of two persons of equal capacity, who have been ten years in trade, one having acquired therein only experience, with the decided confidence of his neighbours and a fair circle of dealers and customers, while the other has amassed some twenty thousand dollars, but at the cost of a reputation for slipperiness and dishonesty, the latter is this day the poorer man, as time will clearly establish. Nothing is more common, or more fatal, than the grasping of an advantage at the cost of ten times its value; and he who has traded out his neighbour's good opinion is pretty certain to die a poor man, however high the price for which he sold it.

“But integrity, though indispensable, is not all-sufficient as a basis of the true mercantile character. The true merchant must be impelled to his vocation by a conviction that therein can he best serve God by blessing mankind. The merchant is an intermediate, an electric wire, a channel of intercourse, between producers in different sections, climes, or countries.

Since it is certain that the heat of the tropics germinates and ripens many useful plants which could never mature under the skies of the temperate zone, while even the polar regions contribute many things to the sustenance and comfort of man which could not be advantageously produced elsewhere, the honest and capable exchanger of the diverse products of these varying latitudes is a common benefactor. Though not literally a producer, he is essentially and practically so, by enabling each customer to satisfy his legitimate wants more cheaply and thoroughly than he otherwise could do, and thereby inciting to greater activity and efficiency in production. Without commerce, many who now earn and enjoy the material comforts of civilization would rest contented with the few rude and scanty devices and satisfactions of barbarism. Commerce increases both the impulses toward, and facilities for, perpetual progress in the useful arts, whereof intellectual progress is the natural counterpart and concomitant. The merchant, therefore, whose sole attachment to his calling is a sordid lust of gain, coupled with a belief that he can acquire property faster or easier by exchanging others' products than by directly producing himself, is most unlikely to honour his vocation, or even to be eminently successful in the ranks of its votaries.

"Assuming, then, that integrity, with an earnest conviction that this is for him the path of duty and of philanthropy, should form the bases of the character and career of a true merchant, let me proceed to indicate some of the qualities and capabilities for which he should be distinguished :—

"I.—He should be *methodical* and *exact* in his calculations and dealings. His promises, however casual their origin or trivial their subject, should be performed to the letter, and he should insist on the like good faith from others, under penalty of never confiding a second time in one who has forfeited his word. The property or interest immediately involved may be of trifling value, but truth is no trifle. The merchant should, as early as practicable, separate his customers and others with whom he deals into two classes—those whose word is to be implicitly relied on, and the other sort—and thenceforth treat each class according to their respective merits. To the latter he should say frankly, whenever the proper opportunity presents itself—'I cannot again confide in your word, because you have shown me that you either cannot or will not redeem it. I do

not judge you; but, if I trust at all, it must be some one who fulfils his promises, at whatever inconvenience or sacrifice.' By this course, he will perpetually and strongly inculcate the advantages of probity and fidelity, and thus conduce to their increase and diffusion.

" II.—He should inflexibly set his face against any system of *loose, general credit* on goods purchased for consumption. Credit is an excellent, a most beneficent device; but, like most good things, is susceptible of the greatest abuse. A poor young man, qualified to manage a farm or conduct some mercantile business, seeks credit for his farm or his stock, and perhaps for some share of his seeds and implements; though every man should earn something by working for others before running in debt for the outfit of an independent business. The merchant who sells largely may very well require credit for some part of his new stock, if he has taken notes which he cannot readily turn for the old one. But neither farmer, mechanic, nor anybody else, should run up bills from week to week for food and clothing, but should make a point of paying for his subsistence as he may require it. The neglect of this rule is one main cause of the prevalence of extravagance, over-trading, and general insolvency, frequently resulting in mercantile bankruptcy and general revulsion. The humble cultivator who owes for half his farm, and cannot turn off more than forty or sixty pounds' worth of produce per annum, out of which twenty must be paid as interest on his debt, is often tempted, by the facility of obtaining credit, to buy silks and satins for his wife and daughters, broadcloth and fine boots for his sons, or allow them to buy such for themselves on his account, when he can by no means afford such expenditures. It is the duty of the true merchant to resist and correct this tendency by insisting on prompt payment for all purchases except under peculiar circumstances. Cash should be the general rule; credit the rare exception. The poor man who has encountered some sudden and severe calamity, such as the burning of his house, or the destruction of his crops by hurricane or flood, may very properly be proffered credit for a season at cash prices; so may the poor widow whose children, this year at school, will be earning wages and able to help her next season. But in all ordinary cases the merchant, if only from a patriotic regard for the general well-being, should inflexibly refuse to sell on credit, since such selling is, and ever must be, to the uncircumspect

majority, a temptation and facility for general improvidence and over-trading.—‘Mr. President,’ said the eccentric John Randolph, interrupting himself in one of his senatorial diatribes, ‘I have discovered the philosopher’s stone!—It consists of four short words of homely English,—*Pay as you go.*’

“III.—On the same principle the true merchant will carefully consider, in selecting his goods, not merely whether he can sell them at a profit, but whether that profit, should he accept it, would not be made at the expense of the moral and pecuniary welfare of the community. He might seem to make a large profit on alcoholic beverages, implements of gaming, &c.; but he knows, in the first place, that he has no moral *right* to make money in any such way; and, next, that all the devil’s gold that may thus be realized is sure to vanish, like dream-won treasures, even while the hand fiercely clutches it. The merchant who sells intoxicating liquors is burning up his customers for the little fat he can fry out of them, and wasting nine-tenths of it in the process. He gets some four guineas clear profit on a pipe of brandy, and uses up, by selling it, a customer, out of whom he made ten pounds a year, and who, falling into intemperance and insolvency, does him out of forty pounds or so charged on his books. Thus, all traffic which panders to vicious appetites is ruinous to the legitimate business of the dealer, and every shilling of profit he secures by it costs him ten, twenty, or thirty; but, even if such were not the fact, he has no right to seek gain through the enlargement of Satan’s kingdom. The end of his mortal existence is quite other than that. He is here to do good and not evil; to erect barriers to the spread of vice, and not to facilitate and profit by its diffusion. He may, indeed, have a good *opportunity* to secure gain in this way; but to argue thence that he has a *right* to do so, is to sanctify the treachery of Judas, and proclaim his earning of the thirty pieces a ‘fair business transaction.’

“IV.—But the merchant’s virtue should be not merely negative and obstructive—it should be positively and actively beneficent. He should use the opportunities afforded by his vocation to foster agricultural and mechanical improvement, to advance the cause of education, and diffuse the principles not only of virtue, but of refinement and correct taste. He should be continually on the watch for whatever seems calculated to instruct, ennoble, refine, dignify, and benefit the community in

which he lives. He should be an early and generous patron of useful inventions and discoveries, so far as his position and means will permit. He should be a regular purchaser of new and rare books, such as the majority will not buy, yet ought to read, with a view to the widest dissemination of the truths they unfold. If located in the country, he should never visit the city to replenish his stock without endeavouring to bring back something that will afford valuable suggestions to his customers and neighbours. If these are in good part farmers, and no store in the vicinity is devoted especially to this department, he should be careful to keep a supply of the best ploughs and other implements of farming, as well as of the choicest seeds, cuttings, &c., and of those fertilising substances best adapted to the soil of his township, or most advantageously transported thither; and these he should be very willing to sell at cost, especially to the poor or the penurious, in order to encourage their general acceptance and use. Though he make no profit directly on the sale of these, he is indirectly but substantially benefited by *whatsoever shall increase the annual production of his township, and thus the ability of his customers to purchase and consume his goods*. The merchant whose customers and neighbours are enabled to turn off sixty, a hundred, a hundred and fifty, or two hundred pounds' worth of produce per annum from farms which formerly yielded but twenty or forty pounds' worth beyond the direct consumption of their occupants, is in the true and safe road to competence and wealth, if he knows how to manage his business. Every wild wood or waste morass rendered arable and fruitful, every field made to grow fifty bushels of grain per acre, where but fifteen or twenty were formerly realized, is a new tributary to the stream of his trade, and so clearly conducive to his prosperity.

"V.—For a higher reason than this, but not therefore in ignorance of the fact, he should be a steadfast and liberal patron of religious instruction and worship, of intellectual culture and discipline, of temperance, of agricultural societies, and mechanics' associations, and whatever sensibly conduces either to diffuse and strengthen morality, or to ennoble and increase industry. A community wherein God is not obeyed, and labour is not respected, must seem, to any reflecting man, a very undesirable place for the training of his children.

There life can rarely be tranquil and happy; there property can hardly be secure; there the sweets of peace and contentment can scarcely be enjoyed through a series of years. If it were possible for the atheist or the sensualist to be truly wise, he would labour to inculcate and diffuse the great fundamental truths of religion and morality, if from no higher motive than a selfish regard for his own ease and safety. Nations, states, and smaller communities subsist by faith and virtue, and perish through the disintegrating influences of sensuality and vice. That community which has cast off all faith in the invisible and everlasting, and cut down its creed to a mere recognition of the material and the palpable—which realizes only that sugar is sweet, that fire will burn, and that 'ginger is hot i' the mouth'—is on the broad highway to destruction, however dazzling its present outward show of prosperity.

"VI.—The true merchant will be a liberal but discriminating supporter of the press in his locality. He will not feel an obligation to patronise any and everything that wears the form of a newspaper, but will scan carefully the intellectual ability and moral fitness of those who assume the lofty responsibility of public teaching through the press. He will not encourage the dissemination nor continuance of journals edited by the incompetent or unworthy; but, if there be none other than these already in existence in his county, he will combine with men like himself to procure the establishment of such a journal as is needed, or the transfer of one already existing into the hands of some one qualified to guide opinion and dispel mental darkness. Such a journal he will liberally and steadily encourage and support, by advertising in its columns at good prices, by urging upon other business men the duty of doing likewise, and by soliciting his customers and neighbours to give it at least their subscriptions, regularly continued, and uniformly paid in advance. By pursuing this course, the merchant may do very much toward the diffusion of intelligence, the predominance of sound principles, and the purification of morals. He need not be a political brawler, nor habitual agitator on any subject—there is a more excellent way. He may give to an approved and influential journal in his county from forty to one hundred guineas' worth of advertising per annum, and procure from others, by the power of his solicitations and example, five times as much more; while each name added to the list of its sub-

scribers extends the publicity of his announcements, and their potency in enlarging his business. Thus will he exert a noiseless, unintermitted influence in diminishing the kingdom of darkness, extending the sway of virtue, and laying deep and broad the foundations of general and personal prosperity.

"VII.—The true merchant will not be likely to forget that his essential function is that of an exchanger of products, and not merely that of a seller. In great cities, and at certain commercial points, this function is properly subdivided, not merely between buyers of produce and sellers of goods, but usually between many different classes of sellers and buyers; dry goods, groceries, paints, meats, breadstuffs, &c. &c., being severally bought and sold by dealers in each particular department. It is otherwise, however, throughout a good part of the country, where, from the necessity of the case, the same person is both buyer and seller, and deals in nearly every variety of product exported, or fabric required by the people of his neighbourhood. Here the merchant should be not more solicitous to sell goods than to enable his customers readily to pay for them; to which end he should zealously promote every effort by feasible means to increase their facilities of communication with the seaboard, and to bring markets for their products nearer to their doors by there calling into existence new branches of industry and building up or reviving manufactures. No wise merchant will fear that his trade will suffer by this diversification of pursuits; for abundant experience has demonstrated that *they buy most from abroad who produce most and in greatest variety at home*. Thus, Massachusetts consumes far more (in value) of foreign products per annum than North Carolina or Tennessee, because the wide extension of her manufactures has rendered her industry far more universal, and has, by largely increasing her aggregate of production, correspondingly increased her power of purchase and consumption. Whether by reducing the expense of reaching a distant market, or by bringing a market for their surplus productions much nearer, the merchant who conduces to the essential advantage of his neighbours, his customers, ministers thereby to his own thrift and solid prosperity.

"These suggestions might be indefinitely extended, but enough has been said to show that the mercantile is properly a beneficent and liberalising vocation, and the merchant's true

interests are deeply inwoven with those of the community from which he draws his sustenance. The sordid trader may narrow and degrade this vocation into that of a mere money-getter—a shave—a cormorant; but, if so, he does violence to its nature, and wrong to its high-minded devotees. If each merchant would but realize what is the true spirit, what are the essential requirements, what the beneficent capabilities of his calling, he could scarcely fail to live worthily and usefully, and transmit an honoured name to his children. May the time speedily arrive when none but the true merchant can find customers whereby to live, and when the knavish, the unprincipled, the rapacious, the vicious, shall be driven into employments where their moral defects, if not thoroughly remedied, shall be less widely influential and less glaringly pernicious! That such a time *will* come, the steady diffusion of knowledge, the prevalence of observation and reflection, render all but inevitable.”

CHAPTER IX.

HOW TO GET RICH BY SPECULATION.

By a Merchant of Boston.

“THE attributes which constitute greatness in man are bestowed reluctantly on individuals. A good poet is the pet of an age; a great general is the marvel of a century; and a profound speculator a rarer gift than either. Every science has its laws; and when we neglect laws we are in ignorance. Empiricism disappears, and quackery takes flight when we discover the law of a phenomenon. The laws of speculation are not well understood; indeed, they may in part be considered not well established. Let us attempt the labour of laying down the necessary rules which ought to govern this great art.

“And here in the outset we apprise the reader that, inasmuch as one man's wisdom or experience would be a very insufficient guide in this great search for truth, which has a big bag of money at the end, we have not undertaken to rely on our own acquired skill in money-making, but have made free with the knowledge of others. The principles, the facts, the maxims, and the judgments which we design to set forth

are partly original and partly compiled. Few men have written books without saying something wise on the subject of money-getting. What we have learned from divers sources respecting this matter may be reduced to the following heads:—

“In the first place, be it observed that successful speculation is not in general mere luck, like that of Lord Timothy Dexter, of Newburyport, when he sent the cargo of warming-pans to the West Indies; for, notwithstanding this instance of fortunate miscalculation, Dexter commonly based his speculations upon good calculation and foresight. Ignorant as he was of geography and domestic life in the tropics, he had a knowledge of human nature, and a shrewd instinct in money matters. He studied and calculated; and a fool who proceeds by study and calculation will do better than a wise man who tries to do without them.

“In the second place, it must not be forgotten that there is a wide and essential difference between *speculation* and *trade*, two things which are very apt to be confounded together in theory and practice. It is true that trade and speculation meet in State Street, but they have in them nothing in common; and although the object of each is a California at home, they search for its discovery by totally different roads. The trader, properly speaking, has nothing to do with business but to stick to it; and as every business must pay, and all sorts of business in the long run are equally profitable, small gains, carefully accumulated, in time realize a fortune. You are surprised that many men fail in business; but be assured that the fault was in the bankrupt, not in the business. Trade, of necessity must pay; and in the long run the gains must exceed the losses, otherwise there could be no trade.

“Reflect on this fact a moment, and then proceed to another, namely, that traders who know their business are unaffected by change in prices; they lose on their goods when prices fall, but they gain when prices rise. ‘Put that against that,’ and if your book-keeping be correct, one in the course of time balances the other.

“The speculator is a very different person. Like the last new comet, he acknowledges a law of his own. He *does* concern himself in the rise and fall of prices, for they deeply concern him. The trader depends on customers; the speculator

has none. The trader depends upon small, but regular gains; the speculator looks to sudden and eccentric enrichment. The world is his market.

"No doubt, speculation is a lottery, but so is going to California. Since the suppression of lotteries in Massachusetts, mercantile speculation, daring, dashing, hazardous, break-neck adventures, have greatly increased, not only in actual amount, but proportionally in comparison with regular trade. The fact is, there is a certain quantum of the spirit of the wild and eager and hazardous adventure ever in the community, and it *will* seek exercise and gratification in some form or other. People who bought lottery-tickets thirty years ago now buy 'fancy stock' in railroads, bales of cotton, bags of coffee, or the promises of such things—go to bed and dream of castles in the air—the same as formerly. *Then* they paid five dollars for a chance—now five thousand.

"Men therefore *will* speculate; though to the uninitiated speculation has all the risk of lottery-dealing. We will attempt, for this reason, to initiate those who are bent on this course of adventure.

"Three things are essential to a successful speculator—*time*, *capital*, and *courage*; and these are of little avail without judgment. All speculation has reference to a future, in which the question of time is involved. Results are never immediate. Capital—everybody knows nothing can be done without that; and, if a man wants courage, let him draw a handcart, sell friction-matches about the streets, get in coal, shovel snow, clean boots, or sit in his chimney-corner, and wish he had an office under the government: he will never make a speculator; for he ought to be large of faith—a believer in things not seen. Activity is essential to trade; patience in speculation. Nothing is to be done when nothing is to be gained—a maxim which, from the obvious cause of the necessity of keeping customers, cannot always be followed in trade. Watchful ever, must we here 'bide our time,'—the proper time for buying, the proper time for selling; although, no doubt, it is equally necessary to strike, to act decisively, when that time arrives. That, in fact, nothing be done, when nothing should be done, is, in the present instance, at least, not so easy to a mercantile man as may be imagined; for a man of business must always be doing, whether at a profit or a loss, while the periods between the

buying and the selling point, or one speculation and another, are necessarily long, dreary intervals of idleness, which afford no room for the exercise of the faculties. He is, therefore, apt to take a narrow, peddling view of things, so different from the qualities required in the more abstracted, if not higher, calling here taken into view.

"The time for entering on trade is when things are at their worst, and that is not a bad time to enter on speculation; you may trade in anything or everything, but you can *speculate* only in a few things. You should not speculate in axe-handles, wooden bowls, hop-poles, shoe-pegs, washing-machines, or mouse-traps, because countrymen and mechanics can make them to order in any quantity when they are wanted.

"This law applies to all manufactures, except in reference to the raw material; and raw material admits of speculation only when it is affected by the season. The proper objects of speculation are, therefore, agricultural produce of most kinds, flour, cotton, sugar, coffee, tea, &c., which amply suffice the speculator to make a fortune—or to lose one.

"As you wish to make a fortune, take the necessary means; *study statistics, and attend to great political and commercial changes*. Take a commodity, and find out the average prices of years, excluding from consideration extreme cases, and, when the price has fallen below the average of years, buy. Thus, let us suppose that this commodity is flour, that there has been a great crop of wheat, or that the price has fallen below the average, or, in other words, it has become cheap: if the harvest after all be bad, you gain; if otherwise, it does not follow that you are to lose; sell, and replace your old stock by a new one.

"If the depreciation continue, it might perhaps be well in some cases for the person to become a dealer in the article till a bad crop or under-production takes place. In this way, it will be observed that he is always to have the same stock or quantity on hand, which he may have, if not entirely, for nearly the same money; and when a bad crop or under-production takes place, his speculation being now ripe, he is immediately to sell out.

"An Englishman of some celebrity used to say that the first of his ancestors of any note was a baker and dealer in hops, who, on one occasion, to procure a sum of money, robbed his feather-beds of their contents, and supplied the deficiency with

unsaleable hops. In a few years a severe blight universally prevailed, hops became very scarce, and enormously dear; the hoarded treasure was ripped out, and a good sum procured for hops which, in a plentiful season, would not have been saleable; and thus, said he, 'our family *hopped* from obscurity.' Hops are said to fail, on an average, every five years—a hint to speculators. The rule laid down in reference to flour, applies equally well to cotton, but—take care of your statistics. Distrust the Carolina and Georgia newspapers. Long as we have lived, we do not remember a season without a dismal story that the 'cotton crop had entirely failed at the South.'

"There are two qualities which principally fit any commodity for speculation: first, frequency in the change of its price; and secondly, the extent of that change; it being obvious that alteration—a fall as well as a rise—is necessary to the purpose of the speculator, and the extreme of prices is that which he will chiefly look to, or in which he will seek his gain.

"Of the two, trade and speculation, which is superior—which the inferior, we apprehend there cannot be a doubt. Speculation is, in truth, a mere exception in business, arising out of the derangements of trade, or impossibility of adjusting the supply to the demand; yet so far useful to, or coming in aid of trade, as it has a tendency to produce readjustment; to prevent extremes in price, as well that which is ruinously low as that which is excessive, to prevent dearth and famine. For, if a person buys when prices are low, this has a tendency to raise price; as when he brings out a store, and sells when prices are high, it has to lower it.

"Trade is steady and uniform, and can be carried on at all times; speculation, on the other hand, only occasionally, or when opportunity offers. There is, therefore, a peculiar certainty which belongs to the former, which does not belong to the latter; and this certainty is the certainty of employment, or the scope for it. The time also required to mature a speculation is not to be forgotten, during which it may be conceived money will often be made in the regular course of trade. As in mechanics, so in speculation: what we gain in force we lose in time. Yet, without doubt, occasionally very large sums are made by opportunities which it requires but a very ordinary share of sagacity to foresee and take advantage of. Such, however, is the variety of productions afforded by commerce, or

brought into demand by the necessities and luxuries of man, and the complex state of things thereby occasioned, that when an object of speculation is dismissed or fails, a wide field exists in which to look out for another; there is, in fact, almost always something which is plentiful or scarce, that is at a price below or above the average—namely, grain, or a particular species of grain, cotton, hemp, flax, wool, leather, oils of various kinds—whale, palm, olive, seal, sperm, cod,—whalebone, rice, sugar, coffee, tallow, tar, turpentine, saltpetre, indigo, &c.; so that a person may, at any given or particular time, have an opportunity of laying the foundation of a speculation by purchase, or of finishing it by sale; if not the one, at least the other; and the state of things which fits for the one is just as necessary as that which fits for the other. Thus may irregularity be converted into regularity, and that which is in its nature occasional made permanent, or the subject of a continued mode of operation, or one speculation be uniformly succeeded by another.

“There is likewise another consideration which occurs here. In general, it requires considerable time to mature a single speculation, and bring it to a successful termination. Now, if a person embark his whole disposable means in any one article, he is in that case not only obliged to wait the issue of this one adventure, according to the fortune of the article, but he is during the time precluded from having anything to do with any other, whatever advantages it may offer. Therefore, if a person be inclined to make speculation a business, it would seem best to invest only a part of his capital in any one commodity, so as to have many speculations afloat at the same time, different in their stages—some, if possible, always commencing, and others falling in, or terminating. By these means, it may be brought more nearly to the nature and condition of a regular trade, in which not only is a person's whole capital with some certainty engaged, but an average established, rendering it more uniform and safe. And so considered, it matters not to a speculator whether things rise or fall. When they fall he is to buy, when they rise he is to sell. His only difficulty is, when they stand still. Nor is this to be confounded with wholesale trade, strictly understood, which is a different thing, and consists in supplying set customers for a regular profit. But how do you know when commodities are highest or lowest?—When they begin to rise or fall? Shall this be your guide?

Not without careful reference to elaborate statistics—the lowest and highest averages. When prices are high, of course there is a great demand, and business is brisk; when prices are low, there is little demand, and business is dull. Hence the temptation in the one case, and the discouragement in the other. Therefore, to be a good merchant or speculator, as to be a good general, nerve is necessary; and the one as well as the other must often act in the face of appearances. He must believe, contrary to what the fabulous first inhabitants of the earth are reported to have done, that the sun will rise again after it has set. Nay, we should say a good merchant must *always* act contrary to appearances, at least to what appears to the generality of mankind. He must buy when no other person will buy; sell when no other person will sell: although certainly, if properly considered, it is most consistent with reason to buy when things are low; to sell when they are high.

"The rule, therefore, generally is (the temptation being apparent), to speculate in high prices; that is, to buy when things are high, in the expectation of their rising still higher. In this, indeed, there may often be much gain, but there is always great risk. Therefore, to be safe, the article must be got rid of immediately—that is, soon, whether at a gain or at a loss; if at a loss, to save a greater. And the last holder, in cases of this kind, be it observed, is always a dupe. The conduct described is, indeed, a common one, by which we find many ruin themselves, and often throw away the fruits of a long life of industry by a single false step.

"Is there any danger of letting people into these secrets? None whatever; for, as Spurzheim said, men are so stupid, there is no fear of their ever becoming wise. He, it is said, who has the folly of mankind for an inheritance, has a plentiful estate. The great object of speculation, indeed, being to substitute sagacity for toil, to enable men to live by their wits instead of their labour, the sole efficiency of the first-mentioned quality in one class refers exactly to the want of it in another.

"An American trading-vessel, after interloping at a port in Japan, and making the most of her time, was ordered off, as usual, by the government. The Japanese official said to the captain, 'You must never come here again; but *when* you do, be sure to bring some more of that fine broadcloth.' So we say to all and singular, who shall read the above, 'Never speculate; but *when* you do, be sure to mind our rules,'"

CHAPTER X.

GETTING MONEY—CONTINUED.

Interest—Banking.

INTEREST is the sum paid, by the borrower of a sum of money, to the lender, for its use. The rate of interest is dependent on the security of the principal, and the rate of profit which may be made by the employment of capital in industrial pursuits. No person would lend money, on personal security of a doubtful character, at the same rate of interest as on a good mortgage; and where profits in ordinary business are high, interest is also high. The same laws that regulate the price of commodities, or the rates of insurance, govern the charges for the use of money.

The rate of interest is, in fact, the *net profit on capital*. Whatever returns are obtained by the borrower, beyond the interest he has agreed to pay, really accrue to him on account of risk, trouble, or skill, or of advantages of situation and connection. This being so, it is not difficult to perceive that interest is the most *certain* way of getting money that can be named. The men who, to-day, receive the interest of a portion of the capital of the country, will eventually, if they pursue the same mode of investment, own the whole property of the country. *The young man, twenty-five years of age, who invests a capital of £2,000 on mortgage security, and re-invests the interest annually, in the same way, at five per cent. per annum, will be worth over £6,771 at the age of fifty, without calculating anything that he might save from the labour of his head or hands, over and above what is necessary for his livelihood.** This will be the net profit of capital; while those who borrow the money with a view of making larger profits, by assuming *risks*, will, most probably, at the same age, find themselves in a worse condition, pecuniarily, than when they commenced. Interest upon money, and the producing or manufacture of articles *necessary* in civilized life, are the only ways of making money that would not be rendered more secure by a guarantee.

Inasmuch, then, as interest is a sure mode of accumulating

* Those who are looking through this book for secrets in money-getting may make a note of this. The diligent searcher will find several others.

money, while the profits of industrious undertakings are uncertain, it is a matter of the first importance to a business community that the rates of interest should be kept down. To this end governments have passed laws fixing certain rates of loans, which it is deemed legal to charge and illegal to exceed. It is now considered, by an immense number of intelligent men, that these laws have failed in their aim; that their effect is to increase, not diminish, the rate of interest; that they deter the timid from lending when the market rate is higher than the legal, while the bold disregard them, and charge proportionally for the risk; that they are necessarily evaded by circuitous devices, and thus encourage a feeling of disrespect for law; that they are a violation of the fundamental maxim that trade prospers best when untrammelled by legislative enactments, and therefore should be repealed. The repeal of the usury laws is a matter of experiment, the result can now be only conjectural. If the effect would be to lower the rate of interest, and prevent those ruinous fluctuations, by increasing the number of lenders in times of scarcity, they *should* be repealed; and the arguments which have been adduced by able men in England and in America, for many years, are sufficiently strong to justify the experiment. The first usury law, which was passed in England in 1554, had for its object, not to prohibit the lender from charging interest beyond a certain sum, but to authorize him to charge ten per cent. Previous to that, it was considered unjust to charge interest at all. Aristotle argued that as money could not produce money, no return could be equitably claimed by the lender. This prejudice is still supported by law in Mohammedan countries. Calvin was one of the first who saw and exposed the fallacy of such notions, as Bentham was one of the first who exposed the inefficacy of the usury laws. Subsequent English statutes reduced the rate, first to eight per cent., and then to five per cent. In 1833, the British Parliament abolished the usury law in respect to mercantile paper, for a certain period of time, and a recent Act continued the exemption until the 1st of January, 1856.*

* Extract from a letter written by the author to a friend on the usury laws:—
“Antiquity of a usage is no proof of its justice. People frequently acquiesce in established evils, and console themselves by thinking they could not be otherwise. An emperor of Japan thought he would have died of laughter on hearing that the Dutch had no king. The Iroquois could not conceive how wars could be carried on with success, if prisoners were not to be burnt. The Roman law allowed creditors to cut their insolvent debtors into pieces; the

The lender and borrower do not, under the present system, meet each other face to face. A dealer in money, usually called a banker, acts as an intermediate party. He borrows of one party and lends to another; and the difference between the terms at which he borrows, and those at which he lends, is the source of his profit.

BANKING was necessitated by the increasing demands for an easy medium of exchange, by which the value of commodities could, with facility, be passed from hand to hand.

In early days, ere the division of labour separated the various trades into different sections of the community, it was customary with those who desired to obtain any article which his neighbour had, to offer in exchange some particular article in which he dealt as a settlement of the debt. The inconvenience of this mode must be obvious. Imagine the tiller of land (for the term farmer was then unknown) desirous of purchasing for his family some articles of domestic comfort or necessity, and being obliged to offer in exchange a sheep, or a quantity of butter, or other produce. As the population increased, some improved method was adopted, and the Jews were the first to introduce it, commencing as money-changers. This was the first step. Onward the tide of population rolled, until it swelled so high as to require another change. After a time it was found inconvenient to carry coin to settle transactions, and this led to the introduction of the bank note, preceded, however, by gold-smiths' notes, whereby the nation was a gainer by the amount of coin which the bank-note displaced. To illustrate this, imagine that the commercial transactions of this country, at the time of the introduction of the note, required a metallic medium of £20,000,000; then if £10,000,000 were issued in notes, £10,000,000 of coin would be liberated for other purposes,

Scotch placed them in a pillory; the English imprison them in a gaol;—all of which they thought right, and we think wrong.

"The repeal of the usury laws is a simple matter of policy. Principle has nothing to do with it. If it is once admitted that interest may be taken at all, a uniform unvarying rate of interest can never be justly established. High and low interest are relative terms—what may be high at one place would be low at another.

"Interest on borrowed money is generally the cheapest form of credit. Everybody knows that goods can be bought at from five to ten per cent. lower for cash than upon a credit of six months. The buyer, with the cash in his pocket, has also the range of the market, which is no mean advantage. Whence did legislators get their wisdom to know what interest all men, under all circumstances, could afford to pay?"

and the interest on that amount would be to the gain of the country.

The coin currency continued until the year 1670, when the goldsmiths of London introduced the system of issuing promissory notes, payable to bearer on demand, against deposits of money lodged with them. They were transferable, and performed all the functions of the bank-note of the present day, until Lord Chief Justice Holt impugned their assignability, which caused so great a bar to the commerce of the country that it was deemed advisable to legalise their transfer;—statute 3 and 4 Anne, c. 9, was passed for that express purpose. This conferred upon them all the negotiable power possessed by bills, and was the commencement of that system of banking, which, expanding with the growing wants of commerce,—encouraged and stimulated by its ready assistance that spirit of honest enterprise developed in the transactions of the country,—has been the most powerful agent in raising the kingdom to that point of greatness which it now proudly maintains above all other nations.

Then, may we not say that banking is the result of a high state of commercial civilization to which a country has attained? And wherever banks are to be found, according to their number, the advancement of the people in arts, science, manufactures, and agriculture may be calculated. It does not cause either of the latter to spring into existence, although by a prudent application of its principles, as will presently be shown, it materially aids them in their multifarious departments. Although agriculture contributes to the formation of banks, commerce is the most affluent supporter as well as the fruitful recipient of those powers which a bank can dispense. Hence are deduced these conclusions, that whenever a country advances in agriculture and commerce, banks are found in active and profitable operation; and, as a consequence, the value of money relatively cheap, as in England and France;—that when the country is dormant, or its agriculture and commerce insignificant, there we find few bankers, and its interest relatively high, as is the case in India, Asia, China, &c. Therefore, wherever banks are numerous the greatest benefits are conferred upon the inhabitants,—the free competition of these establishments reducing the rate of interest to the lowest possible limit.

Banks are now divided into two classes,—Private, and Joint,

Stock;—some of each, in accordance with certain regulations and forms, enjoying the privilege of issuing notes. The former consist of not more than six partners, and are generally managed by either the chief clerk, under the direct superintendence of one or more of the partners, or by some of the partners only. The latter are conducted under the superintendence of a board of directors, who hold their office by election from the general body of shareholders, to watch over and protect the general interests of the company, and administer its affairs according to the deed of settlement and the known laws of banking. Their power is extensive, having in their own hands the appointment and removal of officers, the control of advances and discounts, and the transaction of banking business in every phase and form. To carry out these matters they appoint managers, whose duty impels the working of their branches, according to their own experience. Over these managers, other officers, termed inspectors, are appointed, who visit periodically the branches, and report upon the efficiency or otherwise of the manager under them, and the soundness of the business conducted at each establishment. From these and other reports, which every Joint-Stock Bank requires from its branches, the board of directors judge of the character of their business, and prepare a balance-sheet to lay before the shareholders, who, being individually responsible to the full extent of their property, require this document to ascertain the nature of their position; and when these balance-sheets are honestly and fairly made, and carefully examined by the auditors, nothing can be more consistent with fair dealing; as, generally speaking, each deed of settlement contains a clause, which limits the duration of the company to the loss of one-third of its paid-up capital. In this particular they are essentially and widely different from the private banks, which render no account whatever to the public, and whose affairs are never known, until the *Gazette*, or suspension, blazens forth their disaster in two painful words.

It is the duty of the Legislature to encourage such establishments as may most conduce to the development of the resources of the country, and provide the safest depôt for the temporary lodgment of surplus capital.

In 1844, when the late and much-lamented Sir Robert Peel introduced his famous currency measure, he decidedly and in

very emphatic terms approved the system of joint-stock banking, as the safest and best adapted for the commerce and agriculture of the country. Accordingly, his measure enacted that no new bank of issue should be established, and those at present having that power should be limited to the average amount of notes in circulation during a certain stated period. This constituted their allowed issue, which they could not exceed without incurring certain penalties. It was to continue until 1854, when the Bank of England charter would again come under revision, and the question be once more freely discussed. By many it was considered that the limitation of the issues of country bankers was only a preliminary step to the total abolition of these issues, by which means he hoped to curtail the profits of the issuing banks, and compel many small ones to merge into larger institutions, particularly of that class which he most cordially approved. He well knew also that banks were, in character, large reservoirs of wealth, deriving their formation from innumerable rills and streamlets; and that, if these reservoirs supplied their waters in a salutary manner, the health of the whole body must be vigorous and robust. Hence his measure.

Banking, as a science, has now been fairly stated; and banking, as a practice, comes next under review.

It is the duty of a banker to borrow money in the cheapest manner, and lend it in the dearest; the difference constituting his profit.

Competition throughout the country prevents both in borrowing and lending the existence of any great difference; and the object of the usury laws is to shield the public from rapacity and exorbitant rates. A banker, for instance, having £100,000 balances, that is, money belonging to various customers, and £20,000 issue of notes, would, probably, hold £12,000 in cash, to meet the requirements of his business, and employ the remaining £108,000 in the discounting of bills, advances upon drawing accounts, and cash with bill brokers and London agents, the profit upon which would form a handsome income for the maintenance of the establishment. He is, in fact, a dealer in money, and acts as an intermediate party. He receives, for safe custody, the surplus money of one, and lends it to another, the charge made to the borrower being his profit.

The advantage to a district in having a bank is very great.

The banker will, at all times, have large sums of money in his hands, and, by judiciously lending a portion to those persons who have a limited capital, he assists in developing the trade and improving the district; thereby enabling traders to occasionally increase their profit by taking advantage of a sudden fall in prices, which they could not have done unless the banker had been at hand to assist them. By this means two parties are benefited: one on the part of the borrower making a good profit by the purchase of the commodity; and the other by the bankers, in lending the money for that purpose.

It would be well to say a few words upon the system of cash credit before we close our chapter upon banking. The practice is this:—A person desirous of obtaining an advance from a bank generally gets two friends to join him in a bond, which is deposited with the banker, and upon which he is enabled to draw to its full extent, but never beyond. Interest is only charged upon the amount actually drawn out—the bond itself serving as a collateral security against any debt due to the bank. This not only encourages, but, in the greatest degree, stimulates the borrower in his trading transactions. He perceives that it is of greater advantage to turn his money over rapidly, and at a small profit, than by giving longer credit for larger gains. In the first place, the bank would object to grant cash credits, if they remained as simple dead advances—their object being frequency of operation, by which means the banker derives a benefit by circulating his notes. Secondly, by a rapid return, the borrower can more frequently enter the market, and secure bargains, producing to him additional profit, which would be frustrated by a lengthened credit system.

Probably there is no place in the kingdom where banking has thrived so much as in Scotland, owing to the support which it has at all times received in that country. The system of cash credits operates in the following manner:—"To secure to the bank the advantages of circulation, which is to make it worth while to afford these facilities at so little expense to the customers, he, on his part, is to lose no opportunity of bringing to the bank, and thus withdrawing from circulation, the notes of every rival bank which come into his hands in the course of his transactions; or of paying away, and thus introducing into circulation, as many of the notes of the bank as his transactions admit of, always £1 notes if possible. The payment

and receipts must be frequent; for in this consists the banker's profits, inasmuch as the payments are uniformly made by him in his own notes, and the receipts are generally, in a very great degree, in the notes of other banks. Thus, supposing a shopkeeper to have a credit of £50 or £100, if his receipts and payments average £5 per day, he may, in six months, or one hundred and fifty days, have placed seven hundred and fifty of his banker's £1 notes in circulation.

"It is quite necessary, in order to render a cash account beneficial, that there should be repeated and continued operations upon it;—that the transactions should be numerous;—that there should be a continual drawing out and paying in of money;—and that by these means, a circulation of the bank notes be promoted; otherwise the account is withdrawn, and the great reason of this is, that these accounts are not intended to form dead loans, but to be productive of circulation to the bank.

"The explanation of the cash credit system is this:—The bank who first opened a cash credit, opened it with an individual shopkeeper. He received payment of his goods in the currency of the country. Previous to that system, he used to put his currency into his drawer—eight or ten pounds, or whatever it was. If people brought him larger money to pay for his goods, he returned those people change; or if he did not, he kept it until he wanted to purchase for himself. But, after the banker had explained to him what he wished him to do, when the shopkeeper received the currency of the country, instead of putting it into his till, he looked to the banker's shop as his till, and handed it over to the banker, and left his own till, with only the change which he could not do without. Then, when he required sums to pay away, instead of taking them from his till, he sent to the bank, and took from it what he required, the banker giving him his own notes. So much of the previous currency was thus removed, and the banker's notes taken in its place. That was the effect of the first operation, when the thing was only in so simple a state that there were only the notes of one bank and a metallic circulation. If you apply the same principle where there are thirty banks, the result would be the same. The amount of the circulation of the country continues the same, but the proportion between its parts varies."*

* The Report of the Committee of the House of Lords.

The system of banking in Ireland is a compound of the English and Scotch, although the number of banks, according to the population, is only one to three as compared with England, and one to seven as compared with Scotland.

Colonial banking presents some peculiar features worthy of special notice. From the large amount of profit obtained by traders in the colonies, they are enabled to pay a high rate of interest, and as a consequence, Joint-Stock Banks have been established with paid-up capital—totally disproportionate to the amount of their deposits and cash-note circulation. In England, the paid-up capital is augmented according to the increase of deposits, such augmentation being regarded as an enlargement of security, and not with a view of increasing the profits by its employment at a high rate of interest. On the other hand, in colonies the paid-up capital is large, in consequence of its employment commanding so high a rate of interest. This enables the bank to pay a handsome dividend to its shareholders, and hence the great avidity manifested by the public for investments in colonial banks.

CHAPTER XI.

GETTING MONEY BY INVENTIONS—PATENT MEDICINES, ETC.

“I HAVE had occasion to remark, in previous reports, that the number of patents cannot increase in proportion to the number of applications. The field of invention, in many of its departments, is limited, and every year must necessarily circumscribe it still more narrowly, leaving little to be invented except what has been invented previously. Although many inventors are familiar with what has been done in those branches of the arts to which their attention has been directed, yet the number of those not thus informed is very great; and as the field becomes more and more occupied, this latter class can do little else than invent what has been previously known, and their exertion and sacrifice must finally end in *bitter disappointment*. The spirit of invention, although laudable in the highest degree, appears to be stimulated, in many cases, beyond a healthy action; and many are *wasting their time and substance* in attempts to improve branches of the arts,

with which, in their full extent, they are unfamiliar, and, in so doing, produce what has long since been exploded, or is already in extensive use. As many patentees have been eminently successful, and as a happy hit has sometimes brought wealth and distinction, *multitudes* are induced to follow the example of their inventive predecessors, and ultimately find themselves less fortunate, if not less capable, than those whom they attempted to rival. The evils arising from a want of information can never be, in any considerable degree, removed. Something can and should be done for the dissemination of knowledge; but knowledge sufficiently comprehensive and minute to guard against the reproduction of things old, and guide uniformly, or generally, to that which is new and useful, has never been possessed by inventors as a class, and never can be possessed except by comparatively few."—*Patent Office Report*, 1849-50.

DISCOVERIES in science, and inventions in the arts, are scarcely within our province. They have, however, yielded large fortunes to a few,—are prosecuted with ardour by many, and are looked up to by all as the safety-valve when the pressure of competition in regular trade becomes too great. But they are exceptions to business, rather than business itself, and should be regarded as such by all who have a disposition for experiment. It is exceedingly imprudent for any one to employ, in invention, any other than his leisure time, without interference with his regular pursuits; or to use, in experiments, any other than his surplus money, no matter how important the results promise to be, in the event of success. The risks are too great. Not one in a thousand proves profitable to the inventor, and many a noble bark has stranded on this rock.

When a new field of invention has been opened by any one, it becomes a common centre into which hundreds and thousands throng, "some to improve on the original, and others to pirate and rob the originator of his just earnings." Improvements, too, succeed each other with such rapidity that one has not time to be fairly tested before it is superseded by another; and thus all fail, or perhaps that which has least merit, but the most capital to advance it, triumphs in the end. Nothing is more despicable than this disposition for trifling improvements, with a view of making money at the expense of the original inventor.

A man who desires fame or money should remember that true genius disdains to sail with the crowd in quest of trifling improvements. "True genius is rather ambitious to bring up pearls of its own, than solicitous to polish those of other men." The field of original invention—of wants, and of agencies to supply those wants—is by no means exhausted. In taste, we want a drink a little stronger than water, and less expensive and injurious than wine. In agriculture, we want a machine that will combine the uses of the plough, harrow, and clod-pulverizer in one, leaving the ground loose and free to the genial action of the air, which the present instrument does not; In navigation, we want increased speed in our sailing vessels and ocean steamers. In the world at large, we want a motive power that will be as effectual and as powerful as steam, or more so, without requiring such costly, weighty, and cumbersome machinery to use it. The world is full of wants, which genius may reap a rich reward in supplying; and in the warehouse of nature there are mighty agencies sleeping, which, at the touch of the Ithuriel spear, will leap forth, living and obedient things. He who would gain fame as an inventor must pry into the secrets of nature, and imitate her operations. "It is the perfection of invention to *imitate* nature, the maturity of science and art to tread in her steps."

We have quoted the extract at the commencement of this chapter from a report made by an experienced officer of the patent department, as a word of warning, that those who are wasting their time and substance, and neglecting their business, in trifling experiments, may pause and reflect. It is impossible, in ordinary cases, for a man to tell whether his idea has not been thought of, again and again, and found impracticable; and to gain the necessary information, even if possible, would require an expenditure of time that would be more costly than an application for a patent. The study is more intricate than the study of the law. This, however, is another case in which warning is useless. Invention is a passion, and, when indulged, becomes a master-passion. When, therefore, the disease becomes chronic, it is almost incurable, and the best that can be done is to apply cooling ointments, and let it take its course. Go on, then, thou second Fulton! Invent some new improvement in stoves, or churns, or washing-boards, or chicken-coops. These are necessary articles, and the world wants the best. It has

its eyes intensely fixed upon you; they glisten with joy when your countenance gives signs of hope, and sink in despair when your face is dejected. It *may* be that you will obtain a patent, and it *may* be that it will pay its cost. If it does, invest the surplus in lottery tickets, and you *may* make *two* fortunes.

Akin to invention, without partaking of any originality, is the *patent medicine business*. Like the former, the success of a few has excited the cupidity of the many. Men of all classes pronounce a eulogium on the "pill business." Mechanics contrast it with the results of their labour; the clerk sighs for a medical secret; the "regular" foams at the mouth; and even the merchant has an idea that it is a "mighty profitable thing."

Quackery is as old as the profession of which it is the offshoot, and will last as long. Paracelsus, who flourished in the sixteenth century, is regarded as the prince of quacks. The magistrates of Basle engaged him, at a high salary, to fill the chair in their medical university. At his first lecture, he burned the works of Galen and Avicenna, and asserted that there was more knowledge in his *cap* than in the heads of all the physicians, and more experience in his *beard* than in all the universities. Great and learned men were among his patients; and the noted Erasmus consulted him. He boasted that he had discovered a *panacea* which would cure all diseases at once, and even prolong life indefinitely; but, unfortunately for its reputation, he died at the early age of forty-eight, after a few hours' illness, with a bottle of his *panacea* in his pocket. We would, however, by no means assert that all prepared remedies are valueless. Those that pretend to owe their virtues to great discoveries in medical science,—the universal remedies or "cure-alls," and those which require improbable stories to bolster them up, are all probably valueless. There are few, if any, specific remedies. Iodine has been regarded as a specific for scrofula; but it will not hold good in all cases. There is only *one* specific preventive known, and that is vaccination for small-pox. But many of the remedies are simply prepared prescriptions, in daily use by the profession, and these are salutary. Few that are valuable contain anything new. Patent medicines are principally designed for country consumption. The idea is good one, though the mode of management is wrong. It is

certainly policy for every family, where an apothecary is not immediately at hand, to have a medicine chest of simple remedies for simple diseases. To make this selection wisely, requires some knowledge and judgment: and all remedies which pretend to too much, or which are advertised too largely, should be avoided. All powerful medicines should only be administered by the profession.

We think it would be well for medical practitioners to abate a little in their dignity, in regard to prepared prescriptions. There can be nothing wrong in keeping common prescriptions prepared beforehand, or even putting them into circulation; and certainly there is nothing wrong in fairly advertising them; for, when an article is good, the public should know it. A set of remedies, agreed upon by a college of physicians, and certified to by them as safe, and ordinarily used for certain simple diseases, would probably do away with all others, and prevent imposition. It would be a benefit to the public, and as patent medicines are now used where their remedies would then be used, it would not be injurious to the profession.

Dr. Rush was once asked,—What per cent. had been added to human life by the art of medical practitioners? He answered, that it depended upon whether old women are to be included in the list,—if *not*, the addition would be much less. The same may probably be said of patent medicines.

As a pursuit, the patent medicine business is not more successful or profitable, on an average, than any other. A writer in the *New York Tribune*, some time since, expressed what we regard as correct sentiments on the subject:—"It is much overdone, even to an extent beyond almost any other. A few having realized a fortune, hundreds, thousands, have rushed into it, and lost the little means which they expected would so rapidly accumulate. It is an uncommonly flattering business, considering *alone* the actual cost of the stock; hence thousands have been rashly invested in the manufacture and distribution of remedies, without counting the tremendous cost of popularity; and it is obvious that, unless large sales are made, ruin will follow: so that, by a safe calculation, it is believed ninety in every hundred fail, who undertake the business. The manner of doing this remarkable business is invariably to manufacture large quantities, and establish agencies in every part of the country; it being, almost without exception, a commission

business, and this is the only means of extending it. Of course, without a very large capital, nothing of late years can be done to compete with the already established remedies."

Nor is it now a simple matter to introduce a new curative, as besides the various popular nostrums, hundreds of respectable physicians, in all parts of the country (and small druggists), seeing such a demand for patent medicines, and knowing that if they did not, others would sell, have made up "cure-alls," and distributed them in their vicinity; but, as they do not understand the business, and have but little capital, half of them resume their legitimate profession. When Dr. Brandreth began, a medicine could more easily work its way to fame with less means, as competition was not so strong as to keep it back; but even then, without skill none could succeed.

As a body, there is equal talent engaged in the business to any other. It is noticed that medicines which are most extensively advertised by fulsome laudations, as rapidly decline as they go up; the proprietors thinking, if they make money at all, they will do it soon. Others, who have confidence in the intrinsic value of their remedies, pursue a different course, fearing that great excitement and exaggeration will impair the confidence of the public, and shorten their popularity.

We copy the following from a late number of a medical paper:—

"When a physician so far forgets the feelings of humanity that should always predominate in his practice, and uses his profession as a cloak to amass a fortune, he generally accomplishes his object, like Dr. Morison, of London, the inventor of the 'Hygeian pills.' These pills were put up in packages of three boxes each, numbered one, two, and three, and to be taken in regular order; holding out the impression that they contained three different kinds of medicine. These pills became at one time quite popular in the United States, till the general agent's sale in New England was twenty guineas a day, when he, becoming an extensive counterfeiter of them, had to leave the place. It was afterwards proved that these pills were made in New York; and that number one, two, and three, were all the same article. The medical faculty came out in London, and stated that Dr. Morison was destroying much life by the recommendation of such quantities of medicine. He prosecuted the faculty for libel, and in every instance was beaten. In

fifteen years, he amassed a princely fortune, and built himself a palace, with the hope of enjoying his wealth; but an overruling Providence has called him to give an account of his doings, and to meet those from whom he extorted much of his wealth.

"Dr. Brandreth came out here from London about five years after Morison's pills became popular, and established the sale of his pills—adopting Morison's plan of recommending every one to take his pills in great quantities; and he has accumulated a fortune. He gave the agency in Pennsylvania to Mr. Wright, a brother Englishman, for a number of years. When his sales became very extensive, he got up a counterfeit, which caused Dr. Brandreth to take away the agency from him, when he changed the name of the counterfeit pills, and called them 'Indian Vegetable Pills,' and got a number of Brandreth's travelling agents to put them out in the country. Another Englishman got up a pill, called 'Old Parr's,' stating that he lived one hundred and fifty years on his pills. The story was too absurd to be believed, and they found little or no sale. There are quite a number of other pills pretending to come out of Europe, but are made in the United States, and have proved a failure.

"Several physicians have adopted the course of Morison of London, by manufacturing many articles to be taken for the same complaint. A physician located in Broadway, New York, issues his handbills monthly, stating the day he would be in Boston, Lowell, Providence, Fall River, New Bedford, Norwich Town, New York, Troy, Albany, and Hudson, for consultation gratis. The secret of this doctor's success has grown solely out of his vituperation against the medical faculty; branding them with ignorance, as possessing no medical skill; intended to be understood by the afflicted that they all go in for making the most money out of the sick except himself, who is the only good Samaritan, and filled with philanthropy for the distressed. Whilst the truth is, the most of his money is wrung out of the poor, who too often have to obtain through charity the means to purchase his extravagant medicines; he telling them, in all cases, they have the liver-complaint—that being curable—when he knows they are in a consumption, and no relief can be had for them."

CHAPTER XII.

HOW TO BECOME MILLIONAIRES—OPINIONS OF MILLIONAIRES.

MANY of those who have risen to elevated positions by unlocking the golden gates of wealth, have favoured the world with very valuable opinions, which they regarded as the key to their success; and a recapitulation of them in a connected form, which was never done before, will afford us entertainment, and perhaps instruction.

ROTHSCHILD'S OPINION.—The founder of this world-renowned house, whose immense transactions we may subsequently notice, is said to have ascribed his early success to the following rules:—

1. "I combined three profits; I made the manufacturer my customer, and the one I bought of my customer; that is, I supplied the manufacturer with raw materials and dyes, on each of which I made a profit, and took his manufactured goods, which I sold at a profit; and thus combined three profits.

2. "Make a bargain at once. Be an off-handed man."

3. "*Never have anything to do with an unlucky man or place.* I have seen," said he, "many clever men who had not shoes to their feet. I never act with them; their advice sounds very well, but fate is against them; they cannot get on themselves, how can they do good to me?"

4. "*Be cautious and bold.* It requires a great deal of boldness, and a great deal of caution, to make a great fortune; and, when you have got it, it requires ten times as much wit to keep it."

The continued prosperity of the eminent banking-house of the Rothschilds is ascribed, in the following biographical extract, to two principles:—"He who does not delay for casualties, and has knowledge enough to perceive that in all great affairs the success not only depends on the choice and use of the favourable moment, but *especially on the pursuit of an acknowledged fundamental maxim*, will soon perceive that particularly two principles were never neglected by this banking-house; to which, besides to a prudent performance of its business and to advantageous conjunctures, it owes the greatest part of its present wealth and respectability.

"The first of these principles was that which caused the five

brothers to carry on their business in a perpetual and uninterrupted communion. This was the golden rule bequeathed to them by their dying father. Since his death, every proposition, let it come from whom it may, is the object of their common deliberations. Every important undertaking was carried on by a combined effort, after a plan agreed upon, and all had an equal share in the result. Though for several years their customary residences were very remote, this circumstance could never interrupt their harmony; it rather gave them this advantage, that they were always perfectly well instructed of the condition of things in the different capitals—that each of them, on his part, could the better prepare and initiate the affairs to be undertaken by the firm. The second principle in perpetual view of this house is, not to seek an excessive profit in any undertaking; to assign certain limits to every enterprise; and, as much as human caution and prudence can do, to make themselves independent of the play of accidents."

DAVID RICARDO, the celebrated political economist, was born in London, of a Jewish family, in 1772. His character for probity, industry, and talent, early procured for him the means of support; and, becoming a member of the Stock Exchange, he accumulated an immense property. He was author of many works on finance: and in 1819 was elected to Parliament. Died in 1823. He had what he called his own three golden rules, the observance of which he used to press on his private friends. These were—

"Never to refuse an option when you can get it."

"Cut short your losses."

"Let your profits run on."

By cutting short one's losses, Mr. Ricardo meant that, when a member had made a purchase of stock, and prices were falling, he ought to re-sell immediately. And by letting one's profits run on, he meant that, when a member possessed stock, and the prices were rising, he ought not to sell until prices had reached their highest, and were beginning again to fall. These are indeed golden rules, and may be applied with advantage to innumerable transactions other than those connected with the Stock Exchange.

STEPHEN GIRARD was born on the 24th day of May, 1750,

within the environs of Bordeaux, in France. He sailed to the West Indies as a cabin boy, when only twelve years of age; and, after residing there some time, removed to the United States. He followed the sea as mate, captain, and part owner of a vessel for a while, and accumulated some money. He entered into partnership with Isaac Hazlehurst, of Philadelphia, and purchased two vessels to commence the St. Domingo trade; but they were captured, and that dissolved the firm.

During the war, he was at Mount Holly, in the business of bottling claret and cider. In 1779 he returned to Philadelphia, and entered upon the New Orleans and St. Domingo trade. He then tried a partnership with his brother, which, in the course of three or four years, exploded, as usual, in a rupture. Shortly after this, his prospects were materially aided by the acquisition of £10,000, deposited in one of his vessels during the insurrection at St. Domingo, and for which the owners never called. In 1791 he commenced ship-building, and from that time until his death was engaged in various mercantile speculations, and in banking. In 1811 he had £200,000 in the hands of the * * * who were then in imminent danger of failure. Had they failed, it is very probable that Girard College would never have been built. The effect on his peculiar constitution of mind would, most likely, have proved fatal. He died in 1832, estimated to be worth £2,500,000.

He never gave an opinion on the causes of his success, that I am aware of. When requested to furnish incidents for his life, he refused, replying,—“My actions must make my life.” We can probably glean his opinion from the following two or three little “actions.”

A gentleman from Europe purchased a bill of exchange on Girard, to defray the expenses of a tour to this country. It was duly honoured on presentation, but in the course of their transactions it so happened that *one cent* (a half-penny) remained to be refunded on the part of the European; and, on the eve of his departure from this country, Girard dunned him for it. The gentleman apologized, and tendered him a six and a quarter cent piece, requesting the difference. Mr. Girard tendered him in change *five cents*, which the gentleman declined to accept, alleging he was entitled to an additional quarter of a cent. In reply, Girard admitted the fact, but informed him that it was not in his power to comply, as the

government had neglected to provide the fractional coin in question, and returned the gentleman the six cent piece, reminding him, however, that he must still consider him his debtor for the balance.

"We saw that remarkable man (Girard), after his head was white with the frost of nearly fourscore years, and could not help noticing, even then, the minute attention which he gave to the most trivial thing that could affect his fortune. 'Take that lot of fowls away; the roosters are too many; they would keep the hens poor,' said the old merchant to a farmer, who had brought them for one of Girard's ships—'take them away—I will not buy them.'"

"Take care of the cents, and the dollars will take care of themselves," was evidently his opinion.*

NICHOLAS LONGWORTH, the millionaire of Cincinnati, was born in Newark, N.J., January 16, 1783. Formerly a cobbler as I have been informed, he removed to Cincinnati in 1804 studied law, and practised for some fifteen years. His earnings and savings he invested in lots around Cincinnati, the rise of which was the foundation of his fortune. He then turned his attention entirely to land or lot speculations, which, in a rising market, as that has always been, is a business in which all is gain, and nothing loss. As an example of the facility with which small amounts, comparatively, secured what has since become of immense value, Mr. Cist, in his memoir of him, states that Mr. Longworth once received, as a legal fee from a fellow who was accused of horse-stealing, and who had nothing else to give, two second-hand copper stills. The gentleman who had them in possession refused to give them up, but proposed to Mr. Longworth to give him a lot of thirty-three acres on Western Row, in lieu of them—a proposal which the latter, whose opinions of the value of such property were ahead of his time, gladly accepted. This transaction alone, taking into view the prodigious increase of real estate in that city, would have formed the basis for an immense fortune, the naked ground being now worth \$400,000.

What Mr. Longworth is worth is not known. The estimates

* Girard was never less a prophet than when he said, "All that I have to say is, that no man will ever be a gentleman with my money." There have been more gentlemen made with his money than with the money of any other twenty men.

vary greatly, and it is probable that after his death there will be considerable litigation. A gentleman recently has recovered land from him to the value of £105,000. In 1850 his taxes amounted to upwards of £3,600, which is the largest sum paid by any individual in the United States, William B. Astor excepted, whose taxes for the same year were £4,912. It must be remembered, however, that the taxes in Cincinnati are no trifle on any amount of property.

Mr. Longworth's opinion probably is that speculating in real estate, in a constantly rising market, is a very good business. I am informed, by a friend in that city, that he holds it to be an indispensable requisite that a man who desires to get rich should be from Jersey, where he himself hails from. I regard this as metaphorical language, meaning, probably, that he must have a *sandy* head and a stony heart.

P. T. BARNUM, the noted exhibitor of natural curiosities, the distinguished manager and financier, the courteous gentleman, and future governor of Connecticut, ascribes his success in accumulating £200,000 in twelve years, as the newspapers inform us, to the unlimited use of "Printer's Ink." Whatever may be the valuable secret, aside from his own remarkable energy, talent, and knowledge of human nature, he is worthy of all the success that he has attained. May he never meet with less.

A MERCHANT OF BOSTON, of fifty years' standing, who is represented to have amassed a fortune, states some incidents in his early life which impressed upon his mind the utility of two maxims, which he ever afterwards adopted as guides of conduct. "Thence," he says, "I have had these Mentors before me—

"DO YOU WHAT YOU UNDERTAKE THOROUGHLY."

"BE FAITHFUL IN ALL ACCEPTED TRUSTS."

"I am satisfied they have served me well *threescore* years."

JOHN FREEDLEY'S never-varying motto was—*Self-dependence*—*Self-reliance*.

"It is a mistaken notion," he writes, "that capital alone is necessary to success in business. If a man has head and hands suited to his business, it will soon procure him capital. My

observations through life satisfy me that at least nine-tenths of those most successful in business start in life without any reliance except upon their own head and hands—hoe their own row from the jump. All professions and occupations alike give the field for talent, perseverance, and industry; and these qualities, whether in the East, West, or South, sooner or later, will crown the aspirant with success. But to enable any new beginner to succeed, he must not be allured from his course by attractive appearances, nor be driven from it by trifling adverse gales. He must fit himself for the calling he adopts, and then pursue his course with a steady eye. The first and great object in business is to make yourself independent—to have the means of livelihood without being under obligations to any person; whatever more is acquired increases the power of doing good, and extends influence.

JOHN McDONOGH, the millionaire of New Orleans, whose death is yet recent, is accredited with what I consider the most valuable opinion on the subject on record. It was narrated by a lawyer of New Orleans, during some "idle moments" in a court-room in that city, as a reminiscence of a personal interview with McDonogh, and is as follows:—

"I said to Mr. McDonogh,—'You are a very rich man, and I know that you intend to leave all your property to be expended in charitable purposes. I have been thinking over your singular life, and I want you to give me some advice in regard to the great success which has attended you, for I, too, would like to become very rich, having a family, so as to leave my heirs wealthy.' 'Well,' said he, 'get up, sir;' and as I rose from my arm-chair, he took my seat, and, turning to me as if he was the proprietor and I his clerk, said, pointing to a common chair in which he had been sitting, 'Sit down, sir,' and I will tell you how I became a rich man, and how, by following three rules, you can become as rich as myself.

"'I first came to Louisiana,' continued Mr. McDonogh, 'when it was a Spanish colony, as the agent for a house in Baltimore and a house in Boston, to dispose of certain cargoes of goods. After I had settled up their accounts and finished their agency, I set up to do business for myself. I had become acquainted with the Spanish governor, who had taken a fancy to me, although I had never so much as flattered him, and

through his influence I obtained a contract for the army, by which I made £2,000. After this, I gave a splendid dinner to the principal officers of the army, and the governor, and by it obtained another contract, by which I made £6,000.

“ ‘ This is what the French and the Creoles do not understand. I mean the spending of money judiciously. They are afraid of spending money. A man who wishes to make a fortune must first make a show of liberality, and spend money in order to obtain it. By that dinner which I gave to the Spanish authorities, I obtained their goodwill and esteem, and by this I was enabled to make a large sum of money. To succeed in life, then, you must obtain the favour and influence of the opulent, and the authorities of the country in which you live. This is the first rule.

“ ‘ The natural span of a man’s life,’ observed Mr. McDonogh, ‘ is too short, if he is abandoned to his own resources, to acquire great wealth ; and therefore, in order to realize a fortune, you must exercise your influence and power over those who, in point of wealth, are inferior to you ; and, by availing yourself of their talents, knowledge, and information, turn them to your own advantage. This is the second rule.’ Here he made a long pause, as if lost in thought ; and seeing him remain silent, I asked, ‘ Is that all ? ’ ‘ No,’ said he, ‘ there is a third and last rule which it is all-essential for you to observe, in order that success may attend your efforts.’ ‘ And what is that ? ’ I inquired.

“ ‘ Why, sir,’ said he, ‘ it is *Prayer*. You must pray to the Almighty with fervour and zeal, and you will be sustained in all your desires. I never prayed sincerely to God, in all my life, without having my prayer answered satisfactorily.’ He stopped, and I said, ‘ Is this all ? ’ He answered, ‘ Yes, sir ; follow my advice, and you will become a rich man.’ And he arose and left me.

“ ‘ Well,’ asked one of the company, ‘ have you followed his advice ? ’

“ ‘ No,’ said the counsellor. ‘ I have not, for certain reasons. I do not wish to be considered harsh in drawing the conclusions I did from Mr. McDonogh’s advice. They were, that when a man desires to become rich, he must corrupt the high, oppress the poor, and look to God to sustain him.’ ”

This is the story, the moral of which has been recommended

to our serious consideration. This is the story that has abashed the countenance and turned the stomach of a New Orleans lawyer; that has been bandied through the country, and kicked at and spurned by every newspaper, magazine, and periodical, whether religious or secular—"none so vile as to do it honour." Truly the satirist is right; our morality is excessive. There is no danger of another deluge. We think the angels, with their instinctive perception of what is holy, will soon be down here to take up their permanent residence amongst us.

In this world, then, "where men are gods and women angels," it would be a dangerous task to attempt its defence. We must leave it, as Bacon did his name and memory, "to men's charitable speeches, to foreign nations, and to the next age." All that we can do in our limited space is, to earnestly beg those who are the leaders and guides of popular opinion on questions of morality and religion, to reconsider their opinion; for, if it be not immoral, it is most valuable: and, by following its advice, thousands who are now in the "slough of despond" and the morasses of poverty, will be enabled to climb up to the firm land of happiness, influence, and independence.

In judging of an opinion, charity demands, that of words which will bear two constructions, that most favourable to virtue and morality shall be adopted. In applying a rule to action, mixed with narrative and explanation, we must exclude what is personal and explanatory, and look only to that which is directory and abstract. A rule may be good, though the instance given to elucidate it may be faulty. A decision may be correct, though the reasons given for coming to it may be weak. Whether McDonogh "corrupted the high, or oppressed the poor," we do not know; nor is it a part of our business to know. There is nothing in the story to show that he did; and if there were, it would not depreciate the value of the rules, if abstractly good. An opinion is good or bad in itself, whether it comes from a slave or from a philosopher. Whether dinners are the most happy way to obtain favour is a matter of extreme doubt. It is a plan that, though harmless in itself, has lost its originality; and, from abuse, has fallen into discredit.

I.—McDonogh's first abstract rule for success in life is, "to obtain the favour and influence of the opulent, and the authorities of the country in which you live," Can this mean to "corrupt the high?" Quite the reverse. It is a rule given to a man who is poor, in order to obtain the first start. A poor

man has not the means to corrupt the high ; and in nine cases out of ten, any attempt at corruption on the part of a man with small means and limited influence at least, would rebound on his own head, and defeat the end at which he aimed. It cannot mean corruption, because that would be inconsistent with the adoption of the third rule, prayer, which completes the system. A man cannot pray to the "*Almighty with fervour and zeal*," to bless an act which he knows to be bad. It means simply what it says, to obtain the favour and influence of the opulent, and to use means which wisdom and a knowledge of human nature suggest as suitable to the end.

The first clause of this rule is applicable to every one who desires to improve his condition. The man born in the lower walks of life must improve his mind and conduct, and fit himself for admission into more influential circles, and then court admission ; and the man who is already there must not sink himself by low associates or low company. The mechanic or architect who wishes to make his fortune must not be contented with building *shantees*, but must endeavour to attract the attention and obtain the favour of the man who designs building a *mansion*. The scientific man who has not the means to perfect his plans, must draw the notice of a man fond of scientific pursuits who has the means. In all cases, it implies the opposite of that fictitious independence which "cannot dig, and is ashamed to beg."

Perfect independence of feeling—the independence of the man in the time of the deluge who despised Noah and his "old boat," has something in it that excites admiration. But independence, to be admirable, must be perfect. The man who aspires to the virtue of absolute independence must stand like an iceberg, isolated and alone, disdaining all connection with the mainland of humanity. He must trust to his own good right hand, spurning all assistance, and indulge in no complaints when he sees men of greater pliability getting ahead of him. This has ever been a fault in poets and literary men. They seem to think that the world, which knows little about them, should come cap in hand to do them service. They are too proud to ask for that which they need ; and yet whine like whipped hounds because they do not receive. They disdain to mingle with men, or the herd, as they call them, and solicit favour and influence ; and yet sit in their rookeries and indite snarling epics on the baseness and ingratitude of the world.

This is the affectation of independence ; and, like all affectation, is contemptible.

It is man's birthright to ask of those who can give that which he needs. If it be reasonable—if it be done at opportune times, and in a sincere, prayerful spirit, he will receive. Do you wish information? Court the favour, and influence, and society of the well-informed and the learned. Do you wish office? Court the favour of those who have offices to give. Do you wish chances to make money? Follow McDonogh's advice, and obtain the "favour and influence" of business men and the opulent.

There is much unnecessary and harsh feeling in the world—an apparent conflict between classes that arises from a neglect of this very rule. Men fret themselves in secret; they suffer their minds to become soured against a whole class, because nobody will patronize them, because those who can aid them will not notice them. Let them ask themselves first what have they done to attract their notice? There is a powerful feeling in the breast of every man worthy of the name that makes him desirous of obliging whenever he can; and there is a vanity which makes it pleasing to patronize; but it must be sought after. All men, whether rich or poor, have enough to engage their attention without seeking out those to whom they can be serviceable. It is as little as a man can do who desires a reasonable favour of another, to ask for it. Let him choose his time opportunely—let him avoid making himself obtrusive or troublesome—let him state his wishes frankly, fully, yet respectfully—let his request be moderate; and if he fails? It is but in one case—pick your flint, and try elsewhere. Are you repulsed rudely? The man was a scoundrel or an upstart, one of that dunghill breed, of which unfortunately there are some; but you were not a fool for attempting it.

As we make our beds, so we must lie. If, then, we aspire to emulate Diogenes, trampling on the bed of Plato; if we are ambitious of the applause of foolish boys and silly men, we must rail at everything which we have not and are not, particularly at rich men, and run over a rigmarole of hard names—as pampered minions, purse-proud, unfeeling wretches—and we will get their applause. If we aspire to be revolutionists, and will run the risk of a traitor's fate, we should attempt insurrectionary movements, and denounce all government and authority, because it is government. But if we aim to become

wealthy men and good citizens, our first step is to "obtain the favour and influence of the opulent;" "*to obey magistrates; to be ready to every good work; to speak evil of no man; to be no brawler; but gentle, showing all meekness unto all men.*"*

II.—Mr. McDonogh's second rule is, that "the natural span of a man's life is too short, if he is abandoned to his own resources, to acquire great wealth; therefore, in order to realize a fortune, you must exercise your influence and power over those who in point of wealth are inferior to you, and by availing yourself of their talents, knowledge, and information, turn them to your own advantage." This a distinguished counsellor of the New Orleans bar calls "oppressing the poor," and this a religious periodical pronounces "devilish."

"Are these the breed of wits so wonder'd at?
Well, better wits have worn plain statute caps."

I am of opinion that the distinguished counsellor, in transcribing this rule, used words that will bear a more unfavourable construction than those which Mr. McDonogh used or intended to use. But, take them as they stand, what do they mean? Do they mean that a man who wishes to increase his fortune must use force to press poor but talented men into his service, as they impress seamen? Do they mean that a man should use his means in hiring agents to scour the country, and catch all the men of "talents, knowledge, and information" they can find, bind them hand and foot, drag them to his door, and there force them to reveal their information? A distinguished counsellor seems to think so, and all counsellors are wise as well as "honourable" men.

We think it has a great deal of meaning in it, but does not embrace force or oppression. We think it means, in the first place, that as a man cannot carry on extensive operations relying on his own resources or abilities alone, he must employ agents; and that, in employing agents, he should choose men of "talents, knowledge, and information," in preference to those whose only recommendation is physical strength and stupidity. The business of clerking, or agendizing, in the United States, is at the present time overstocked by men who have no business there—by men whose proper occupation is farming; and, in consequence, there are thousands of talented men, well qualified for their duties, out of employment. Business men will find it

* Titus iii. 1, 2,

greatly to their advantage to employ educated, talented assistants.

We think it means, in the second place, that, having employed able agents, the employer should make it a constant practice to consult and advise with them, and get their suggestions in his various operations. The rule, in this respect, is much needed. I have known instances in which men have persevered in a plan, to their own loss and inconvenience, merely because the improvement had been suggested by a subordinate. This is great weakness. We are never too old nor too wise to learn; and shrewd men, who are desirous of increasing their fortune, will endeavour to have constantly around them those who can advise them. The queen has her cabinet; a general has his officers; a business man should also have his bureau. Self-conceit is a great stumbling-block in the way of continued prosperity, and has proved the ruin of many. The man who, because he has made a few fortunate speculations, considers himself infallible, or despises the opinion of all less wealthy or fortunate than himself, had better retire with what he has made immediately. Attention to McDonogh's rules is all that can save him if he continues in business.

We think it means, in the third place, that whereas it is a well-known fact that men of talents and learning delight in the company of active, intelligent, business men, who possess more of the world's comforts than themselves, the man of business, who is desirous of increasing his fortune, should encourage their visits by polite, flattering attentions, all the while keeping both ears open to catch information or suggestions from them, which, though useless to themselves, he may appropriate to his own great advantage.

Fourthly: We think it means that, as there are many men of great abilities in their various pursuits, who have not the capital to make their ability available to themselves, the man who is desirous of increasing his wealth should employ them to carry out their ideas for his own benefit, paying them a fair price for their services; or should associate himself with them in a limited partnership, and divide the profits. Thus one capitalist may share the profits of a dozen different establishments, and yet be a great benefactor. There are hundreds of able men, in all countries, who are useless to themselves for want of capital, and whom capitalists should seek out; and there are thousands of men, of splendid talents in their way,

who are utterly incompetent to manage a business for themselves, even if they had the capital, but who, associated with men of a different order of talents, commonly called business tact, can greatly promote the well-doing of both parties.

This rule is applicable in many other cases than those I have mentioned; but I need not consume time and space to notice them. We, the common people, can cipher it out for ourselves, and understand it, though lawyers may not. It is the wisest and most beneficent rule that has ever fallen from human lips. Were mankind to adopt it to-morrow, with some variation in the words used, in order to convey the meaning, there would be a change over the face of society like the wonderful transformations in magic. Every one would fall into his proper position, and each would receive his due. Those whom nature designed for labourers and producers would not usurp the place of distributors; and those who are qualified for intellectual pursuits would find abundance of employment; mind would receive a new impulse to improvement, and talent would find encouragement; capital would be associated with science, and science co-operate with capital; men of wealth would feel themselves honoured and benefited by association with men of learning, and learned men would be made happy in the partial enjoyment of the comforts of wealth.

III.—McDonogh's last rule is Prayer. This is all that was wanting to perfect the system; to make it a system worthy of a better origin; yea, worthy of the authority of inspiration. Prayer is a powerful aid to success in two ways. It prepares the mind for great undertakings; it gives an earnestness and seriousness to the character; it curbs that levity and frivolity which trifle with important concerns, viewing everything as a game; it gives a restraining power in the hour of temptation, and makes simple faith mightier than wisdom; it creates a subdued enthusiasm, a calm confidence in eventual success that no present danger can overthrow—a lofty reliance on an unseen Power which the prayerless cannot comprehend; it fits the mind to conceive great thoughts, and the man to do great deeds. Secondly,—it invokes to human exertions the favour and influence of the Most High. God will hear and answer sincere prayer. "He will regard the prayer of the destitute, and not despise their prayer." Psal. ciii. 17. "Are not five sparrows sold for two farthings, and not one of them is forgotten before God? Fear not, therefore; ye are of more value than many sparrows."

Genius and revelation harmonize in commendation of the efficacy of prayer. The most splendid genius of the nineteenth century, in speaking of the French revolution, says: "The despoilers of all that beautifies and hallows life had desecrated the altar and denied God; they had removed from the last hour of their victims the priest, the Scripture, and the cross. But Faith builds, in the dungeon and the lazaret-house, its sublimest shrines; and up through roofs of stone that shut out the eye of heaven, ascends the ladder where the angels glide to and fro—Prayer." * * * "When science falls as a firework from the sky, it would invade—when genius withers as a flower in the breath of the icy charnel—the hope of a childlike soul wraps the air in light, and the innocence of unquestionable belief covers the grave with blossoms."

Revelation invites men everywhere, and in everything, to place their trust in their Creator, and not on their own strength. "Trust in the Lord with all thine heart, and lean not on thine own understanding. In all thy ways acknowledge Him, and he shall direct thy paths." Prov. iii. 5, 6. "Call upon me in the day of trouble. I will deliver thee, and thou shalt glorify me." Psal. l. 15. "He that diligently seeketh good procureth favour; but he that seeketh mischief, it shall come unto him. He that trusteth in his riches shall fall; but the righteous shall flourish as a branch." Prov. xi. 27, 28.

Sublime system! The wit of man has never conceived a better, and withal so practical as to be within the reach of the humblest individual in the land. What immense influences it centres upon one man and one business! On the one hand, the humble aspirant calls to his aid the powerful influence of money and the favour of the opulent; on the other, he draws to himself the still greater power of talent and knowledge; and, above all, he invokes, by prayer and an upright life, the blessing of "Him that sitteth on the circle of the earth; that stretcheth out the heavens as a curtain, and spreadeth them out as a tent to dwell in."

I must close this chapter, and the whole subject of "Getting Money;" and I cannot do so more appropriately than with the following truthful quotation:—

"If we were to consult the annals of commercial life, we should find that, in most instances, the men who have been distinguished for success in business are of the same stamp as those who have been eminent in the walks of literature and

science. They have been characterized by self-denying habits, by simple tastes, and by unpretending manners; whilst the bold, the vain, the presumptuous, and the reckless have done immense mischief to themselves and others, in the department of trade, dissevering the bonds of confidence and good feeling, and often scattering havoc and ruin around them. The same principles and motives of action prevail in the good, the wise, and the prudent, among all sorts of men. It is that wisdom which is unpretending and boasteth not, and that quiet sort of penetration and sagacity which is little deceived by self-flatteries and delusions, which are often more injurious and ruinous than all the worldly artifices and deceptions which are practised upon us."

CHAPTER XIII.

LOSING MONEY.

Chances of Success—Causes of Failure.

It was the custom of Napoleon, says Bourrienne, after a hard battle had been won, to ride over the field of contest to see the extent of the destruction. That is our solemn task at this time. We have heard the shouts of the victorious; we have listened to the proud boasts of the conquerors, the Napoleons of wealth, and have recorded their wise sayings. Now it is our painful duty to go over the field where their triumphs were won, and see how many, with minds as great, and aspirations as high, have fallen in the strife. Perchance we may learn there greater lessons of wisdom; perchance we may see our way clearer, and possibly discover the post of safety, if not of honour. "Wouldst thou be rich? Consult not the rich man, but the bankrupt. It is more to know what to avoid than what to do."

We have chosen to consult both. We will inquire, first, *as to our chances of success*; and secondly, *as to the causes of failures, and their remedies, if any.*

We regret to say that our inquiry, as to the chances of success in mercantile pursuits, has resulted somewhat unfavourably. The reflections excited by statistics, from undoubted authority, are anything but flattering to those embarking in business with the ardent desire of sudden acquisition, and indulging in golden visions of easily-acquired affluence. Taking the expe-

rience of the past as a criterion, there is, indeed, some reason to fear that one who to-day launches his bark on the troubled sea of mercantile speculation, may, in a very few years, find his vessel drawn within a maelstrom, or stranded upon a rock. The picture is discouraging, and we need all the philosophy we can muster. We must recollect that "partial evil is universal good." We must remember that every man is the artificer of his own fortune, whether it be in the struggle for literary or political honours, or in the sharper strife for material wealth. We must hope that it was by departing from the plain and well-established maxims of common sense that men invited disaster upon their enterprises, and that with greater caution, prudence, and the aid of improved experience, we may escape their fate.

These statements come with a different meaning to different men. They are encouraging incentives to perseverance for those who have resolved on pursuing a steady, prudent course, without being allured from it by attractive appearances. They are homilies on humility, for the attention of the proud—on kindness to the unfortunate, for the selfish—on the need of light and information, for all. They are fruitful of stern rebuke to those false teachers who preach up prodigality by preaching down economy, and to that fool who said that "'a penny saved is a penny got,' is a scoundrel maxim;" and they are a balm of consolation to the honest bankrupt, who is mourning over his failure, and will not be comforted, for he may see that he is in a goodly company, and can call upon immense numbers to unite with him in singing the chorus of the old song,

"Let us all be unhappy together."

As to the *causes of failures*, we are sorry to say that we have not been able to find many satisfactory statistics. We are surprised at this, because it is a subject that should engage the attention of the statesman above all other subjects. Government even would not misapply their surplus funds in undertaking an extended and elaborate investigation of the matter, as it would probably conduce more to the general good than many of their investments. When the "death-shots fall thick and fast;" when a crisis comes, as it is called, men's minds become excited, and they anxiously inquire for some immediate cause; but when houses "fall single and alone," the business world wags on in a feeling of security—though each, it seems, must take his turn—and no general investigation is had. Let us add

our humble note of invitation to the patriotic and intelligent statisticians of the country that they attend to this matter.

We find the following in the "Report of his Majesty's Commissioners for inquiring into the Administration and Practical Operation of the Poor Laws, 1834."

Mr. Green, one of the official assignees in cases of bankruptcy, gave the subjoined return :—

"As far as I can recollect, from the books and documents furnished by the bankrupts, it seems to me that fourteen have been ruined by speculations in things with which they were unacquainted; three by neglected book-keeping; ten by trading beyond their capital and facile means, and the consequent loss and expense of accommodation bills; forty-nine by expending more than they could reasonably hope their profits would be, though their business yielded a fair return; none by any general distress, or the falling-off of any particular branch of trade."

Another officer states :—

"The new court has been open upwards of eighteen months, during which period fifty-two cases of bankruptcy have come under my care. To the best of my judgment, not one of them can be attributed to any general distress. It is my opinion that thirty-two of them have arisen from an imprudent expenditure, and five partly from that cause, and partly from a pressure on the business in which the bankrupt was employed. Fifteen I attribute to imprudent speculations, combined, in many instances, with an extravagant mode of life. Among these fifteen I find a tailor, in a very small way of business, borrowing money to become the owner of a West-India ship trading to Jamaica, a concern with which he was wholly unacquainted; consequently, he was cheated in every way and speedily ruined. A London publican, having a slight knowledge of science, neglects his business here and goes over to France, for the purpose of entering into a contract with the French authorities for the supply of Paris with water. A working goldsmith, never having had £10, takes Saville House, Leioester-square, and engages singers and musicians for the purpose of establishing concerts. The thirty-two classed as failing through imprudences in their mode of living, include many whose necessities leading them to resort to accommodation-bill transactions, have become the prey of money-lenders and their attendant harpies, the inferior class of solicitors."

We think—but we desire to know the fact by an extended investigation—that the causes of failure are as numerous and as varied as the follies and misfortunes of mankind; that there is no one deep-seated evil to which all can be ascribed. We think—but we would like to be certain of it—that the causes to which the majority of the failures above mentioned are ascribed, will be found to be the principal causes of failure in all countries and at all times.

In the most simple operation of commercial speculation, under our present system, there are more possible chances of failure than there are of success. We might illustrate this, and at the same time enumerate some of the causes of failure, by a supposition suggested by the following story, related by the Rev. J. W. Higginson, of Newburyport:—

“One of the most eminent literary men of this country once told me that, many years since, when a boy on a farm, he had permission given him to sell for himself a calf of his own raising; and that he remembered so vividly the struggles of mind he went through, the bitter anxieties of hope and fear, the intense temptation to extort more than the animal was strictly worth, and contrive little plots to conceal its defects and exaggerate its merits, that the experience comes back to his mind to this day, when he felt especially indignant at the baseness of commerce, and made him more charitable to the offender, remembering that he also had been tempted.”

We cannot stop to compliment “the most eminent literary man of this country” on his exquisite sensibility; nor to congratulate him on his good fortune in abandoning further thoughts of commercial ventures for literary pursuits; but must proceed to our supposition. Suppose that the nerves of this lad had been a little stronger—that he had felt himself able to manage more than one calf, and had purchased two others on, say three months’ credit, at five-and-twenty shillings each, with a view of taking them to a distant market and selling them at a profit; what causes might have contributed to his failure, and what were his chances of success? First,—Accident: as his calves dying, or escaping, or being stolen, would have caused his failure. Secondly,—A want of judgment as to the value of calves; so that he finds the butchers will not give cost, will cause his failure. Trusting them to agents to sell who prove dishonest, or taking in a partner with him who cheats him, will ruin him. Suppose that his hotel expenses, in consequence of a failure of the crops, are unexpectedly greater

than the profits, he must suspend. A failure, then, of the agricultural productions of the country, or a great and sudden expansion of the currency, and the consequent high prices of food, cause failures. A great depression in the market price, in consequence of an excess of supply, at a time when he must sell, will also compel him to suspend.

Suppose that he is induced to sell to a butcher on credit, and, in the mean time, low prices of produce, or a scarcity of money, render the farmers unable to pay their debts to the country storekeepers—and they the city merchant—and the merchant the importer—and the importer the money borrowed from the butcher—and the butcher the lad—the lad must fail. A superabundance of the productions of the country, or a contraction of the currency, and the consequent low prices of produce, may cause a general failure. Suppose that he takes paper money in payment, and the banks explode, or, having received gold and silver, he is agreeably elated, and attempts to keep it up by stimulants which result in difficulty and expense; he must fail. Bad morals, as well as bad currency, are a cause of failure. Extravagance in living—certain expenses while his profits are uncertain—will be certain to ruin him. The purchase of a lot with a view of selling it at a profit before his note falls due, and property falling, will compel him to make an assignment. Suppose, finally, that he sells his calves at a profit of eight shillings each, over and above all expenses, gets safely home without being robbed or losing his money, and pays his debt promptly, why, he has made twenty-five shillings, and is a successful merchant.

" Oh ! if this were seen,
The happiest youth—viewing his progress through
What perils past, what crosses to ensue—
Would shut the book, and sit him down and die."

Failures in general, I think, may be ascribed to four general causes:—*Accidents*;—*bad legislation*;—*defective personal habits*;—and *excessive use of credit*.

Accidents do not occur so frequently as we might suppose. Insurance will guard against loss from some, and prudence against others; but loss may occur in spite of both, and in such cases there is no remedy. A failure of the crops, or surplus production, causes a great inconvenience for a time, but it is soon over; and those who have conducted their business on certain sound principles, maintaining a due proportion of liabilities to capital, can survive the pressure.

Bad and unstable legislation are frequent causes of serious embarrassment. Unstable legislation is as prejudicial to the business interests of a country as unjust laws. It causes difficulty in two ways. Men who have invested their capital on the faith of existing laws, are liable to a serious loss from a change of the laws; and, on the other hand, capitalists, aware of this predisposition to change, are timid in their investments, preferring less profit and greater certainty. The consequence of this is, that the profits of some kinds of business are reduced below the average, while other productive interests are only partially developed. Wise laws will not prevent failures; but they will prevent those failures—and they are not a few—that arise from unwise and unstable laws.*

Bad legislation, in a representative government like our own, can be remedied by the choice of wise legislators. The remedy is entirely in the hands of those who are aggrieved by it. The prominent mental attribute of a good legislator is, *soundness of judgment*. He should also possess stern integrity, and business habits. Ability in discussion is no recommendation, but a decided disadvantage; and it is rarely associated with superior judgment. The man who can make a three hours' speech is *primâ facie* incompetent for a legislator; and those who have spent a considerable portion of their life in the *practice* of the law are of the same category. They fall under Bacon's censure, subject of course to be rebutted by unquestionable testimony, of desiring "rather commendation of wit in being able to hold all arguments, than of judgment in discerning what is true, as if it were a praise to know what might be said, *and not what should be thought*." But these men also have their place and their duties to discharge as good citizens; these are, to discuss questions before the people, and suggest arguments that should be duly considered by the legislators in forming their opinion. The acts of the legislature should be the embodied opinion of the majority of disinterested jurors, who have taken but little part in the discussion, and who were chosen for the marked soundness of their judgment.

* "We have referred to convertible and inconvertible currency. Do you think that any system of currency, convertible or inconvertible, can be devised, in which occasional periods of commercial distress will not arise, as long as commercial transactions are entered into by parties almost without limitation beyond their means?"—"I do not think it possible; I do not think that any system of currency that any human being can devise can correct the follies of mankind. There are always some people who will speculate beyond their means; but, under a proper system, there would not be whole rows of perfectly innocent people knocked down as there have been lately."—CHARLES TURNER *Parliamentary Committee Report*.

Defective personal habits can be remedied by a "remove of the impediments of the mind." Intemperance is a habit that is almost certain to result in failure. Even the moderate use of alcoholic stimulants to the man whose business requires a clear intellect and constant prudence, is attended with danger. It clouds the perception, and creates a feeling of boldness and recklessness that may, in a moment, thwart the best-laid plans of years. The business man who indulges at all in artificial stimulants can never be sure of himself. One glass at certain times will produce more intoxication than five at other times. Occasional periods of excess, though more disgusting, are less dangerous than habitual tipping, provided the debauchee takes the precaution to transfer his business in the mean time to another, and not to resume it until every drop is purged from the system. In all cases, however, the effect is gradually to undermine energy, to impair moral principle, to provoke an irritability of the system which renders us liable to be impolite to customers, and to quarrel in unguarded moments with those with whom it is our interest to be the most friendly. Experience has shown that it was full of danger under the old plan of few sales and large profits; and common sense warns us against it under the new plan of quick sales and small profits.

A departure from regular business is a personal matter that frequently results in failure. Men become dissatisfied with the slow gains of the calling with which they are acquainted, and suffer themselves to be enticed from it by stories of fortunes which have been acquired in other pursuits. There is scarcely a business that can be named in which all have failed; and those who make the success of others their plea for change, may spend their lives in changing their plans.

Every business has its peculiarities and its mysteries, that cannot be acquired by intuition. Practice must make perfect. All who have followed a certain occupation for twenty years will readily perceive that, although they thought themselves wise when they began their career, they were exceedingly ignorant. The tendency of business, as civilization progresses, is to subdivision of employments; and those who attempt to resist it by a combination of several kinds in their own hands, even though apparently connected, are generally forced to regret it. In the dry-goods business, for instance, there seems to be a growing disposition to combine retailing, jobbing, and

importing, in the same hands; and, as it is a violation of the general law, it is likely to result unfavourably. The *Dry-Goods Reporter*, in 1848, made some appropriate remarks on this subject.

The position of the jobber and importer can be illustrated better by an anecdote, which we heard yesterday from undoubted authority:—A jobber who, one year since, was affected with the importing mania, and followed the business successfully during the year 1847, realizing therefrom over £400, says he would willingly give all the money he made in 1847, and £100 added thereto, to be rid of his imports for 1848. Many will say this was all owing to circumstances, which probably might not happen again in years, and that the importers were all in the same boat. Softly, man; this is not exactly so. Upon inquiry, you will find that but few of the present quantities of excess goods *belong* to our importers. They are merely the *factors*; the *ownership* rests elsewhere, and the heavy loss (for a heavy loss must be sustained on this spring's imports) will fall upon Europe, and not be sustained here.

Importers, who are pecuniarily interested in the price at which goods are sold in this country, have some connecting branch or resident partner in Europe, whose duty it is to watch the market there. The exports from thence is the barometer; and when such times as the present are upon us, we find that, although, seemingly, they have goods enough on hand, they belong in reality to other parties, and in many instances have been shipped against their advice. So sensitively alive are these resident partners in Europe to the exports, that we have heard of £5 having been paid for the outward manifest of a ship bound to the United States.

We have been frequently amused at the remarks of Zadock Pratt, Esq., ex-member of Congress—a man of strong common sense, who was originally a tanner by trade. A speculator was showing him a new method of tanning, by which he represented great quantities of money could be made. Pratt told him he did not doubt it, but he was making money enough; that he (the speculator) had better find some one who was not doing so well. He has resisted all attempts to allure him from his legitimate business, and by close application has amassed a quarter of a million.

Our advice is, to the retailer, do not attempt to job; to the

jobber, leave importing alone; and to the importer, allow not the offer of an extra price to induce you to break a package, for it is as completely unjust for you to rob the jobber of his legitimate profit, as it would be for the jobber to retail goods. We say emphatically, "Stick to your regular business."

The division and subdivision of employments is favourable to the success of all, and "to depart from regular business is to lose money."

The last of the habits purely personal that we shall notice is—*extravagance in expenditure*. This seems to be the most serious in its results of all. According to our statistics, two-thirds at least of the failures are ascribed to an imprudent expenditure of "more than they could reasonably hope their profits would be, though their business yielded a fair return." This is a matter of astonishment. It conflicts with all our received ideas that men manifest great shrewdness in matters which affect their own interest. It is an indisputable truth, we think, that a man who, in collecting pebbles or pearls, will scatter with his left hand all that he collects with his right—cannot get a "heap;" that he who spends as much as he makes cannot increase his wealth: and that he who spends more than he makes will increase his poverty wonderfully. How shall we account for this ruinous propensity? To what cause shall we ascribe it? Have the feminine portion of the world anything to do with it? It certainly cannot be that men of themselves are so weak as to allow a petty ambition for show, for expensive toys and trinkets, to derange the weightier matters of business. It must be that the devil is at his old tricks, working for the downfall of mankind, and having succeeded so well with mother Eve, is still operating to the same end, through her daughters.

A writer in the *Providence Journal* makes "some calculations to show that the failure of nine-tenths is directly attributable rather to a profuse expenditure of their gains in living beyond their income, and to rashly-extended operations, undertaken to sustain such a career, than to the generally unrequiting nature of business pursuits." It appears, by a recent statistical report, that one-half of the whole property of Providence, with a population of 40,000, is in the hands of 175 individuals. It will be found, on investigation, that the large estates of the 175 individuals who possess one-half of the whole property in this city, have been solely acquired by persevering

diligence and economy, rather than by bold enterprises, which, when successful, induce reckless habits, like success in drawing the prizes in a lottery.

Every one becomes surprised in examining the annuity tables in familiar use in the offices of Life Insurance Companies, at the astonishing aggregate amount of the daily expenditures of small sums, compounded with interest, and finally summed up at the termination of a long life, as exhibited in the following abstract :—

TABLE showing the Aggregate Value, with Compound Interest, at the rate of Five per Cent. per Annum.

| Per Day | In 10 Years | In 20 Years | In 30 Years | In 40 Years | In 50 Years. |
|----------|-------------|-------------|--------------|-------------|--------------|
| £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| 0 0 3½ | 69 17 9 | 165 6 7 | 332 3 10 | 604 0 0 | 1,046 14 10 |
| 0 0 6½ | 125 15 7 | 330 13 2 | 664 7 9 | 1,207 19 11 | 2,093 9 7 |
| 0 1 1 | 251 11 2 | 661 6 4 | 1,328 15 6 | 2,415 19 11 | 4,166 19 2 |
| 0 1 7½ | 377 6 7 | 991 19 7 | 1,993 3 4 | 3,623 19 10 | 6,260 8 10 |
| 0 2 2½ | 503 2 4 | 1,322 12 9 | 2,657 11 1 | 4,831 19 10 | 8,373 18 5 |
| 0 2 8½ | 628 17 11 | 1,653 5 11 | 3,321 18 10 | 6,039 19 9 | 10,467 8 0 |
| 0 3 5½ | 1,257 15 9 | 3,306 11 11 | 6,643 17 8 | 12,079 19 7 | 20,934 16 0 |
| 0 10 11½ | 2,515 11 7 | 6,613 3 10 | 13,287 15 5 | 24,159 19 1 | 41,869 12 0 |
| 0 16 5½ | 3,773 7 4 | 9,919 15 9 | 19,931 13 1 | 36,239 18 8 | 62,804 8 0 |
| 1 1 11 | 5,031 3 2 | 13,226 7 8 | 26,575 10 10 | 48,319 18 2 | 83,739 4 0 |
| 1 7 4½ | 6,288 18 11 | 16,532 19 7 | 33,219 8 6 | 60,399 17 9 | 104,674 0 0 |

By reference to the preceding table, it appears, that if a labouring man, a mechanic, unnecessarily expends only 3½d. per day from the time he becomes of age to the time he attains the age of threescore and ten years, the aggregate, with interest, amounts to £1,046. 14s. 10d. ; and a daily expenditure of 2s. 8½d. amounts to the important sum of £10,467. 8s. A sum of 6½d. saved daily would provide a fund of £2,093. 9s. 7d., sufficient to purchase a fine farm. There are few mechanics who cannot save daily, by abstaining from the disgusting use of tobacco, from ardent spirits, visiting theatres, &c., twice or thrice the above-stated amount of 3½d. per day. *The man in trade who can lay by about 5s. 6½d. per day will find himself similarly possessed of £20,934. 16s., and on a par with the one hundred and seventy-five men who own one-half of the property of the city of Providence.*

Few people estimate the large sums to which the yearly saving in personal and household expenses will accumulate. Two thousand pounds a year is not an uncommon expenditure for merchants in this and other cities. Half a century ago £200 would have been regarded as a sufficient expenditure. The

difference between these two sums for fifty years, with the accumulation of compound interest, reaches the enormous amount of £376,824. Extend the time eleven years, and this sum, great as it is, becomes doubled.

The preceding calculations are sufficient to encourage hope of eventual success and independence in the bosom of every young who, on commencing business, will maintain a determined resolution to combine industry with economy; and also to warn him that, without economy, the opposite result of bankruptcy is frightfully certain.

With the plain statement of actual results before us, it cannot, therefore, be a matter of surprise that the present general prevalence of an unrestricted indulgence in showy habits of dress and of living should cause the failure of so many who embark in business, and involve also the prudent and careful, on whom must fall the losses caused by recklessness and extravagance in every form.

The true value of money consists in the rational use of it. Economy becomes a vice in the miser; while extravagance becomes, on the other extreme, a vice in the spendthrift. The golden mean lies between these extremes. By applying available gains for the procurement of rational comforts and enjoyments, and for advancement in moral and intellectual culture, we fulfil the highest desire of our nature.

Excessive use of credit must bear a portion of the blame attached to extravagance of expenditure. They are intimately connected and interwoven with each other. The facilities for obtaining credit tempt men to an extravagance of living, and an imprudent expenditure compels them to resort to accommodation bills and other means of supplying their necessities. Dr. Johnson has observed that "he that owes once more than he can pay, is often obliged to bribe his creditor to patience by increasing his debt. Worse and worse commodities, at a higher and higher price, are forced upon him; he is impoverished by compulsive traffic, and at last overwhelmed in the common receptacles of misery by debts which, without his own consent, were accumulated on his head."

The credit system is also chargeable with tempting the sanguine into "speculations in things with which they were unacquainted, and to trading beyond their capital and facile means." Men's ambition to get on faster than prudence will justify finds a ready means of gratification through the facilities

for obtaining credit. Capital is not now the thing needful to effect any change; the ability to borrow or get credit is all that is necessary. The mechanic can become a tradesman or a doctor; the shopkeeper an importer; a stonecutter a millowner; a tailor a shipowner; a working goldsmith can take Saville House to give concerts; a minister of the gospel may become a foreign merchant; and a foreign merchant a land speculator, and act the capitalist.

"Some fifteen or twenty years ago a great change took place here in the management of foreign commerce. It was through an invention for substituting a bill of exchange on London, which would be accredited in distant countries, in place of the usual outfit of money or goods on which foreign voyages had been conducted before. It was no longer necessary for a man to gather up his property, and put it in hard money, or in a cargo newly-purchased, on board ship. He was no longer reminded, by every difficulty that he met, in providing the requisite funds, that he was putting at risk perhaps the accumulations of his life; and was led, therefore, to consider well what he was about. It was only necessary for him to satisfy the agent of some European banker that he was able to bear any positive loss that might occur at the end of the voyage; or, if not so, to give security for a small portion of the credit which would cover such loss, and the whole business of the outfit was done in an hour. The right to draw the bills was given, and he had only to hire a vessel, if he did not own one, and despatch her; or to join, as one, in making up a voyage, although the whole business was new to him. The vessel might be sent to Canton, for instance, for teas or silks. To pay for them, bills or orders to receive money in London would be given. Although the Chinamen would not want such bills for their own use, the English, from whom they purchase manufactured goods, would readily take the bills in payment; and the parties here would receive their vessel back with a full cargo, for which they would have to make payment in London after it should be sold.

"The consequence was, that great facilities were offered to people to engage in business in which they had no previous experience, and for which they have, in many cases, suffered severely themselves, besides causing the downfall of several important banking-houses in Europe, who had injudiciously supplied the means, and tempted them to such dangerous folly.

"Within the same period there has been, on the other hand,

a great expansion of the currency in this country. The value of real estate appeared to be increasing surprisingly, and men whose proper business is foreign commerce, have been tempted to withdraw their capital from its previous uses, while this contrivance of bills enabled them to continue their usual trade, and make great speculations in lands, in hopes of sudden wealth.

"Failures have succeeded, and the unsuspicious creditor, who supposed that he had been selling his goods to a person employed solely in domestic manufactures, for instance, finds that it depended entirely upon the success of a Calcutta voyage, in which the purchaser had secretly engaged, whether he was ever to be paid. Or he finds that, while he supposed that he had sold his goods to a merchant whose attention was devoted to foreign trade, the real capital that was believed to be in that trade had been diverted to the purchase of prairies at the west, or cotton lands at the south; and that, in truth, it depended upon the tide of emigration to some new settlements in a wild country, whether he was ever to get his payment."*

These are not the only evils of the credit system. Men are not only enticed by it to forsake the business with which they are acquainted, or to combine with it imprudent speculations, but to extend their legitimate business beyond all bounds of prudence or calculation. They take upon themselves obligations, the extent of which they scarcely know; they connect themselves with houses in a virtual partnership, over whose affairs they can exercise no control; they suffer their business to grow upon them until it gets beyond their powers of management, and they are compelled to resign it to agents and to Providence. This is not all. They must live in a manner worthy of such an establishment; their business is as remote from their inspection as an Irish estate, and their amusements must be of the same princely order. In course of time, however, their dignity and business collapse together, carrying havoc and destruction to the homes of innocent and unsuspecting creditors.

The anxiety to do an immense business, which a bloated credit system inordinately sharpens, also leads to investments in improper mercantile securities, of which we have before spoken, and to the conversion of floating into fixed capital. The reverses that befell the houses of Messrs. Palmer & Co., Messrs. Ferguson & Co., and Mackintosh & Co., whose stoppage

* Hon. Thomas G. Cary.

in 1830 inflicted a tremendous shock on the India trade, were immediately traceable to an error of this kind. They invested their own pital, and that intrusted to them by others, in indigo factories in India, conducting their home business on credit, and, as can easily be understood, when monetary affairs became unsettled, their securities were wholly unmarketable in London, and they were compelled to suspend. Recent failures there have been traced to the same cause. Messrs. Reid, Irving, & Co., who failed in 1846 or 1847, for an immense sum, sank in sugar plantations, in the Mauritius alone, upwards of £500,000. Messrs. Gower, Nephews, & Co. sank, in the same island, upwards of £170,000, while Cochrane & Co. were implicated in indigo factories abroad.

In the investigations of the Parliamentary Committee, as to the causes of the failures in London in 1846 and 1847, much valuable information was elicited. Several distinguished merchants gave their opinion as to what constitutes overtrading. Charles Turner, a merchant of Liverpool, says:—"The brokers have been in the habit, we all know now pretty well, not only of advancing upon goods after their arrival to meet bills drawn against those goods, which is perfectly legitimate, and upon bills of lading, which, to a certain extent, might also be done, but, beyond that, they have done what is perfectly illegitimate, —they have advanced upon the produce before it was shipped, and, in some cases, before it was manufactured."

At another place, he says:—"I will just mention one fact; there is one house which failed in London the other day, and in examining their affairs, a transaction of this sort was found to have taken place. There is a house in Manchester, and another at Calcutta; they opened a credit account with a house in London to the extent of two hundred thousand pounds; that is to say, the friends of this house in Manchester, who consigned goods to the East-India House from Glasgow and from Manchester, had the power of drawing upon the house in London to the extent of two hundred thousand pounds; at the same time there was an understanding that the corresponding house in Calcutta were to draw upon the London house to the extent of two hundred thousand pounds; with the proceeds of these bills sold in Calcutta, they were to buy other bills, and remit them to the house in London, to take up the first bills drawn from Glasgow. The whole of this was not carried out, but that was the arrangement; so that, if the arrangement had been fully

carried out, there would have been six hundred thousand pounds of bills created upon that transaction. That I call overtrading."

This was unquestionably overtrading on a large scale. It is these kinds of operations, which are by no means confined to London, that do more harm to society than gambling-saloons or lottery-offices. They create false views of failure, and surround it with a species of meretricious dignity. A marble mason, who failed in Philadelphia about a year ago for £27,000, without being able to pay any dividend at all, is considered to have elevated that trade above the ordinary mechanical standard. His failure, too, it may be remarked, was not caused by any disasters in his trade; but to trading beyond his capital, an imprudent meddling with land speculations, bonus operations, and their consequent usurious interest.

What are the remedies for an excessive use of credit? The remedies are of two kinds,—*moral* and *legislative*. The latter falls within the province of the political economists, and we will not meddle with it. We hope they will soon get through refining definitions, and attend to it. We venture, however, to predict that, in less than fifty years, banks will act as controllers of credit—proportioning loans to capital, as experience has found to be safe. But, until the laws aid us in keeping aloof from danger, our only remedy is a *moral or personal one*. The leading causes of failure, which we have noticed, are *founded on a desire to get forward too fast*—an ambition, on the one hand, to get *rich without labour*, and, on the other, an impatient desire to enjoy *the luxuries of life before we have earned them*. We must check this ambition and desire; we must amend our minds, and curb our imaginations.

"As for the true marshalling of men's pursuits towards their fortune," says Bacon, "as they are more or less material, I hold them to stand thus: first, the amendment of their own minds; for the removal of the impediments of the mind will sooner clear the passages to fortune than the obtaining fortune will remove the impediments of the mind." The facts which we have given, and which cannot be disputed, afford us powerful arguments for regulating and moderating our desire for gain: and a careful observation of the world will confirm the resolution. It is certain that the inordinate, grasping anxiety for wealth, which characterizes some men, will be fatal to their ultimate success. The very ambition to be rich often defeats itself, and leads to

ruin. It blinds the judgment, and misleads it into visionary schemes and ruinous speculations, so that men of the coolest and most deliberate habits, when they have yielded to a passion for wealth, are no longer capable of reasoning wisely. The passion is, in itself, a proof of bad judgment. Only a few can be rich, and the chances are too great against any one to make it wise in him to centre his hopes upon a result in which he is very likely to be disappointed. It may be said of wealth, as it has been of happiness, that when unsought it is often found; when unexpected, often obtained: while those who seek for her the most ardently, fail the most, because they seek her where she is not.

What course, then, shall we pursue? Are there no hopes of obtaining reasonable wealth? Certainly there are. But we must reject, without hesitation, the advice of those injudicious friends who argue that no one can get rich without assuming great risks—who urge us to plunge in where the business is most weighty and important. We must avoid that fated circle whose business and expenditures are of the dazzling, magnificent kind. The demon of bankruptcy presides there, we may rely upon it. Had we the Swedenborgian “inner light,” and even without it, we could see him skulking around their stores, in their counting-houses, ay, riding as footmen on their equipages. We must place ourselves beyond the outer edge of this dashing circle, whence we can occasionally look over, and note their downward progress. When their ruin comes, which is as certain as death, there will be excellent opportunities to improve our fortunes, by picking up pieces of the wreck at our own prices.

We must manage our own business as we would prosecute a science, for its own sake, and not solely with a view to wealth. We must study its principles; keep on the watch for information which we may turn to advantage; assign certain limits to every enterprise; never seek for an excessive profit in any undertaking, and make ourselves, as far as human caution and prudence can do, independent of the play of accidents. If misfortune comes, as it may come, it has not been our fault. If a competency is the result, it is all that we expected; if wealth comes, we are prepared to make sure of it.

A course of prudent moderation in everything,—in the desire for gain, the amount of business, in personal expenses, will materially improve our chances of success, and at the same time

strengthen the character and increase our happiness. The Hon. Thomas G. Cary, an eminent merchant of Boston, and formerly a director of the United States Bank in its palmy days, in an address delivered some years ago, has furnished us with some excellent incentives to the adoption of this course. He discourses thus :—

“The man who is prepared to work through life takes his labour with cheerful ease. The Saturday evening which brings repose to man and beast is not more agreeable to him than the renewal of his occupation on that Monday morning that lours so gloomily over one who has before him a week of embarrassment in meeting obligations that have been entered into with the delusive hope of rapid gain, and which he would rejoice to cancel, by returning his purchases, if he could retrace his steps.

“The man of regular industry, too, and of principle, while he is free from deep anxiety for the future, usually gives it that due care which gradually improves his condition. As only a small portion of the world can ever be *rich*, he may not be likely to become so. Yet he has his chance. As he advances in life, he sees some of those who at times have almost excited his envy at their seeming prosperity, becoming involved in difficulty, and falling far behind him. When the crisis comes, perhaps he finds, to his surprise, that he is looked to as a strong man; for he has something *at command*, and appears at ease, when almost every one about him, who has been more ready to give promises than he, is straitened, and must sell at a loss.

“When property, then, seems to be losing its value and is neglected, opportunities rise around him of using what means he may have with an advantage that he had never anticipated, and his possessions begin to extend. Pursuing the same steady course, his strength increases. Without much calculation about it, he finds himself, perhaps, becoming comparatively rich. Causes are at work that may possibly make him quite so, without endangering his independence or tranquillity. If wealth comes, he makes sure of it. His spirit is not intoxicated, though his views expand with his acquisitions. The temptation to advance finds no treacherous ally within him, in a spirit of rivalry, ambition, or envy, urging him on to risk all that he may have in grand undertakings, that are to outdo all who are before him, and dazzle his little world with the magnitude of his operations.”

* * * * *

Instances may certainly be found of men who disregard the rules of wisdom and virtue, and yet become rich and powerful. But where one such man can be pointed out, a score of others, who resemble him in everything but shrewdness and energy, may be mentioned, who have disgracefully failed.

It may be, on the other hand, that among twenty men who act with strict regard to principle, not more than one of them would be found to have become rich. But the other nineteen have probably never failed. They have earned all that they have ever spent. They have performed their portion of the labour of the world. They have its confidence and respect. Be they mechanics, farmers, or professional men; be they merchants, seamen, or labourers on the wharves—they are known as men of independent spirit, who can neither be bought nor bent to improper designs; as men who fulfil the great purposes of life, and who are regarded and remembered for their worth.

But the man, be he good or bad, who begins with the determination to be rich early in life, is most likely to be disappointed. Let him select the best example of rapid success that can be found; let him, if he can, begin with the same means, and do precisely the same things, as did those who have become rapidly rich, and he is very likely to find, in the end, that although *the same course, pursued ten years sooner or ten years later, might have been successful, yet, owing to causes entirely beyond his own control, it could not possibly succeed when he attempted it; and that it required all the skill that he possessed even to avoid ruin.*

In truth, the path that leads *speedily* to wealth is generally discovered, when found at all, by some accidental concurrence of circumstances. But the turnings that lead to failure and disgrace can be seen from afar, and may, in most cases, be avoided by seasonable care. The father can direct his son, when he begins the journey of life, where to observe them. The great Parent of men has set up the landmarks; and the mother can teach her boy how he is to avoid them when he enters on the highway of the world. She cannot instruct him by what means he may be enabled to ride onward, among the throng, in a luxurious equipage; but she may do much to save him from the humiliation and sorrow of those who are seen standing in tatters at the roadside, after straying in search of some imaginary short cut to wealth, and scrambling back through the mud and briars of the swamp.

The difference to his future might be vast, if her aspirations for his greatness, which are, perhaps, sowing the seeds of selfish and fatal ambition in his mind, should be exchanged for the spirit of real affection, that would instruct him in the virtues of industry and truth. In a word, it does not lie with the young man, when he begins life, to say whether or not he is to be rich; but whether or not he will make a mischievous failure, is, in most cases, an affair that he can decide for himself.

There are some interesting questions connected with the subject of failure, to a few of which we must give a passing notice.

First:—When should a man fail? In most cases he has no choice as to the time; but no man has a right to fail who is not insolvent, merely to save himself from loss. By doing so, he unnecessarily endangers the failure of those who rely upon him in order to meet their own payments; he unjustly creates distrust among business men in general, and destroys confidence. When, however, he discovers that he is insolvent, the sooner he fails probably the better. It is an old Shakspearian truth that "Sorrows come not single spies, but in battalions;" and when a train of unfortunate circumstances has so set upon a man as to reduce him below the line of solvency, the sooner he arrests it by a prompt winding-up, the better for himself and his creditors. The catastrophe of failure seldom comes at once. The shadows of it are often cast before. As they deepen and thicken, they offer continual temptation, hard to resist. In this protracted agony it is that men commit the greatest errors—errors which, with sometimes perhaps an undue severity of judgment, fasten a stain upon their character that no time can efface.

What ought one to do under such circumstances? is another question. "The first thing a man has to do,"—we quote the Hon. John Sargent—"is to take honest counsel with himself; to state the case fairly; to examine it deliberately, and decide it justly; to go through with it as a work he is bound in conscience to perform; not slightly, not carelessly, not deceitfully, but thoroughly, as if he were upon his oath to make a true inventory and appraisement. He is to look at his books, not to see the figures there set down, but whether the value is what they represent. Such a work is hard, very hard. Many a man closes his eyes, because he knows what they would see if they were opened. He perceives, but he voluntarily makes his perception indistinct, and persuades himself, or tries to

persuade himself, that the truth is obscure when he knows it is clear. He cannot plead ignorance, and is therefore accumulating for himself a store of self-reproach; for finally he will be compelled to confess that he has sinned against knowledge. The next thing to be done is to consult *judicious friends*. If it be hard for a man to look stedfastly at a painful and humiliating truth, still harder is it for him frankly to make it known to others. Yet it must be done, if we would profit by the advice of friends. And, lastly, it is the duty of a man, in these circumstances, to counsel with his creditors; for it is their interest that is to be dealt with. Safe counsellors they will be found, and generous ones, too, if they are honestly treated."

Our duty, then, is comprehended in a few words:—A fair disclosure, a full surrender, and an equal distribution.

Another consideration is the treatment of debtors. When creditors are notified of a failure, all opinion should be suspended until a thorough investigation is had. A clear distinction is made between the treatment of a *fraudulent*, and of an *unfortunate* debtor. While the former suffers all the punishment due to detected villany and outraged confidence, the latter merits, and receives, all the kindness invariably due to misfortune. In fact, all failures, not plainly fraudulent, are treated with a great deal of liberality. The creditor never forgets, as Dr. Johnson observed, that he has "shared in the guilt of improper trust;—that he suffered the debt to be contracted with the hope of advantage to himself;—that *he proportioned the profit to his own opinion of the hazard, and that there is no reason why one should punish another for a contract in which both concurred.*" But a failure from evident misfortune merits not only liberal, but kind treatment. He who adds to the distress of an unhappy man by a rude word or a vindictive act, puts himself beyond the pale of human sympathies, and should be "mocked at when *his calamity cometh.*"

Finally, the world should remember that—

" They wha fa' in Fortune's strife
 Their fate we shouldna censure:
 For still the important end o' life
 They equally may answer:
 A man may hae an honest heart,
 Tho' poortith hourly stare him;
 A man may tak' a neebor's part,
 Yet hae nae cash to spare him."

BURNS.

CHAPTER XIV.

SAVING, GIVING, AND LENDING MONEY.

WE presume that it needs no demonstration to prove that the *saving* of money is as essential as getting, for the attainment of a permanent independence. This is one of those self-evident truths that meet with a ready and a universal assent. It is even a truism that it is as physically impossible for money to accumulate without saving, as for a leaking vessel to hold water. There is no income so large that cannot be got rid of, and no sum so small, that an able-bodied, industrious man may earn in this country, that will not suffice, so long as he remains single, to lay the foundation of an independent fortune. A young man who can earn five shillings a day has but to resolve to save a portion of what he earns towards capital to start business upon, and the difficulty is already half overcome. A capital acquired in this way is generally lasting, while capital acquired by loan or inheritance is too frequently lost. The industry and efforts used in acquiring capital, train to habits of business which, as we have before shown, are necessary to success; and without this training, business is most apt to fail. In looking abroad, too, we generally see those who commence life by their own personal efforts, and by such efforts *start themselves* in the world, are the most successful. It is astonishing on how small a sum a man who is determined to save may live comfortably. One of my predecessors in the "art of money catching," as he has entitled it, has given "directions for preparing fourscore good and wholesome dishes, on most of which a man may live for twopence a day." Everything depends upon the habits and associations formed in youth. A young gentleman of elegant tastes and expensive habits, especially a pet of the ladies, may as well fiddle jigs to a milestone as to hope to make headway in the world, or to retain it if thrust upon him by others. A particularly fast man, with an ardent admiration of "good stock," will very probably discover that his business and money took to flying when he took to riding. An excellent judge of good wines, or a connoisseur in rare dishes, may calculate with certainty that his pockets will become slim in exact proportion as his belly grows round. In a word, prosperity without economy is an impossibility.

A man has only the right to commence the work of saving

after all his just debts are paid ; and *all* his debts are not merely those of which the evidence is a note, or a bond, or a mortgage, or a book account. If he is the head of a family, he is under obligations to his family which he must discharge. As a member of society, and one of the great family of man, he owes debts of brotherhood to those whom misfortune has visited, of which he must pay his proportion. As a Christian, the recipient of the bounty of God, he owes a portion annually for the enlargement of his Maker's kingdom upon the earth. Charity is not merely a politic virtue, in the exercise of which he may reap an inward satisfaction, but in the neglect of which he incurs no guilt. Charity is a solemn *debt* which no one can fail to pay without moral bankruptcy. It is a debt so binding in its nature, that physical impossibility to have the means to discharge it, is the only sufficient excuse. It is a debt, nevertheless, in the discharge of which, when the proceeds are applied to the dissemination of education, morality, and religious truth, one may as justly be called a shrewd man as an honest and a charitable man ; for no one of sound judgment, I think, will deny that if all men acted intelligently, and in accordance with the precepts of the Gospel, all could attain twice their present ratio of prosperity with one-fourth the present anxiety, risk, and trouble.

It is an awful reflection that, in a land abounding in wealth, men willing to labour should seek the means of subsistence, and not find it. It *is* a sorrowful thought that in a Christian land they should ask for bread, and not receive it. It is a heart-sickening sight to see the extremes of unbounded affluence on the one hand, and miserable, degraded poverty on the other. Truly, as I once heard an Irishman observe, when speaking of a famished countryman who had begged at a nobleman's door for the meat that he was giving to his dogs, and was rudely turned away, "I wonder that God can look on these things and keep His patience." It does prove that there is something radically wrong in society ; but still the wrong, in my opinion, does not consist in the organization of society, or in the fact that some men have obtained more than their share of the world's possessions, provided they got them legally, honestly, and honourably, but in the fact that they have not properly used what they rightfully obtained. They have not borne their share of the burdens of society. They have not contributed their proportion to its maintenance and the due preservation of its health. Until the

world is a second Eden, it needs, and can profitably use the labour of all who are in it. Much less than one-tenth of the world's income, which was the quantum demanded under the old Jewish dispensation, would provide a capital to employ usefully and profitably all who needed work, and were willing to work, and also support all who were unable to work and needed assistance.*

The totally different rules and principles that apply to the *getting* and to the *using* of money, are the rock on which theorists split. The distinction is one that they do not seem to perceive clearly. They pour out the vials of their indignation on the getting of money, when it should fall upon the improper use of money. They at one time contend that a man should

* "Let us now consider the sums that might be raised, supposing only one-tenth of income to be set apart for the purposes of philanthropy and religion. Supposing the population of Great Britain to amount to 16,000,000, and reckoning only 2,000,000 heads of families, or the eighth part of the population, to be connected with a Christian church; and supposing further, that only one-fiftieth of these, or 40,000, have incomes averaging £500; the tenth of those incomes would produce a sum of £2,000,000. Supposing the tenth part of the remaining population, 196,000, to have incomes of £200 a year, the annual tithe would be £3,920,000. Suppose the remaining 1,764,000 to have at an average £80 per annum, its tithe would amount to £14,112,000, so that the whole of this supposed annual tithe of income would amount to above *twenty millions of pounds*, which is more than forty times the amount of the annual funds of the Bible, Missionary, and other philanthropic societies in Great Britain, which do not amount to *half* a million. In this calculation I have not taken into account a million or two of grown-up individuals belonging to the different families of the kingdom, who have separate establishments from their parents, and who might be disposed to contribute several millions of pounds. Nor have I taken into the calculation several thousands of the nobility and gentlemen who occupy the highest places of society, some of whom could afford from one to ten thousand pounds annually, and which would add a considerable number of millions to the sum above stated. If such sums could be raised without subtracting any substantial comfort from a single individual, how small is the number of Christians worthy of the name to be found in our country, since the fiftieth or even the hundredth part of this sum can scarcely be raised among all the ranks and denominations of religious society! But much more than even the above-stated proportion ought, in numerous instances, to be devoted to religion and philanthropy. If, for example, a person has an income of £900 a year, I have no hesitation in saying that, if he wish to act as a steward under God, for the distribution of his bounty, he ought to consecrate £400 annually to the promotion of Christianity and general improvement. And will any one aver that the remaining £500 is not sufficient to procure every comfort that a rational or a Christian character ought to desire? But the whole £900, it may be said, is requisite for the individual to keep up the dignity of his station. If keeping up the pomp and dignity of a station is to be set in competition with the demands of religion, then let the individual take the world on his back, and march off as far as he can from Christian society; for such persons have too frequently been a pest to religious associations. Verily I say unto him, he shall have his reward, but a reward after which, I trust in God, I shall never aspire. Let such remember the divine admonition: 'Ye cannot serve God and mammon.' There is an absolute incompatibility between the service of the one and of the other; and he who is not prepared to give up worldly maxims, pomp, and splendour, and to devote his influence and his superfluous wealth to the cause of religion, ought not to assume the Christian name."—*Thomas Dick, LL.D.*

not devote more of his time to the acquisition of property, than will barely suffice for his wants, and then again argue for an amount of charity that he could not possibly be able to give without unremitted industry. A preacher, on one Sabbath morning, will speak so disparagingly of the worldliness of men's nature, and the baseness of their strife after filthy lucre, that one, if he interpreted him literally, would be tempted to sell all that he has, and retire to a monastery. On the next, probably, he will argue for an amount in charity—to say nothing of an increase of salary, which all ought to have—that one must have been active and industrious, and made a successful year indeed, to be able to meet his charity bill, without taking into account his other necessary expenses. Again, the Socialists, if I understand them correctly, with a right perception of the just claims of all who are born on the earth to the necessaries of life, but with a seemingly wrong conviction that we all are demented, would have the world a sort of well-regulated lunatic asylum, in which the inmates are to have certain hours to work, and a certain amount of work to perform, apparently with a view partly to support life, and partly to prevent the too frequent necessity of trepanning and strait-waistcoating. Our doctrine would be totally different from this. We would say to the modern philosophers who sincerely desire to benefit and reform mankind:—Admit that the choice of the mass of mankind in devoting themselves energetically to the physical improvement of the world is a wise one; search with a keen, sharpened inspection into the world's experience for facts and principles that will enable them to be more successful in their undertakings; trace out accurately the bounds within which they can go safely, and beyond which there is danger; lay down not merely general principles, but rules that will be applicable in individual cases as they arise; enlighten their consciences and make wiser their heads; aim to remove as much as possible the load of anxiety that presses upon the mind of him who is travelling the thorny path of business, in view of future danger and evil; arouse men to greater energy, and to a more exalted enterprise, until the land is covered with a network of iron, and the ocean white with the sails of ten thousand argosies, bearing merchandise and civilization to all quarters of the globe; urge them to this for the sake of the glorious results that will follow, and not for the sake of individual wealth; denounce, with the withering fire of

Juvenal, the aristocracy of wealth, which is fully as contemptible, if not more contemptible, than the aristocracy of fashion, or of blood; arouse the people to a just appreciation of their power, that they may not bow down with truckling servility to the insignia of wealth unaccompanied by merit, but pour forth their voice in one quick peal against those who deny the claims of the unfortunate to their assistance, in order to expend more in selfish gratification, and the royal sound will shake the whole heaven; in a word, teach us how to get more money with less risk and anxiety, and then how to use it so as to increase our happiness here, and in view of a happy immortality hereafter; then will the plague-spots disappear from the face of society, and the roseate hues of health bloom again on her faded cheek.

But there is a question of equal difficulty, and perhaps of greater practical importance, which honest men encounter, and that is, How can contributions be given so as to effect the greatest good? It is unquestionably true that the present system is a defective one. At present, a man who gives nothing from year to year to any charitable purpose may have the reputation of being a liberal and a just man; while another, who perhaps gives more than his share, in proportion to his income, will have quite a contrary reputation. At present, a man so disposed may shirk all giving, under pretence of favouring some one or another of the numerous charities. At present, a man who pays much respect to the world's opinion must give to all and to everything, or to nothing, in order to escape villanous abuse. At present, if he once has the misfortune to be known as a charitable man, petitions will be thrust at him almost every hour of the day, preachers will preach at him, his door will be besieged by the loudest and fastest-talking if *not* the most beautiful of women, and he must constantly undergo the pain of refusal or be beggared. If he gives to street beggars, he is liable to imposition; if he refuses, he has no place to direct them where their merits will be inquired into, and the deserving assisted. All this is wrong, but what is the remedy? My proposition would be to establish a great *National Society*, perhaps under the sanction of Government, and of which all the present charitable associations should be branches. The first object would be to ascertain what per cent. of the aggregate income would be sufficient to do all that should be done, and then to assess each

individual's proportion as taxes are now assessed, and deliver to each his charity-bill as regularly as his tax-bill. The penalty for non-payment should be publication in the principal papers of the county, for a certain number of weeks, with the amount attached, as tax-delinquents are published in some of the American States. Then we should know who fulfilled his duty, and who did not; who were good citizens, and who were not. The management of this society should be in the hands of the ablest business men, and especially of those who, having accumulated wealth, are about to retire from business, in order to save them from the dreadful alternative of having nothing to do but nurse gouty legs, and fret over their past life and present inaction. The details and feasibility of this suggestion I leave to those who are intimately conversant with the best mode of organizing and managing great public bodies.

I will conclude this chapter with an extract from Mr. Henry Taylor's admirable Essay, "Of Money," on Lending:—"Never lend money to a friend, unless you are satisfied that he does wisely and well in borrowing it. Borrowing is one of the most ordinary ways in which weak men sacrifice the future to the present; and thence it is that the gratitude for a loan is proverbially evanescent; for the future becoming present in its turn, will not be well pleased with those who have assisted in doing it an injury. By conspiring with your friend to defraud his future self, you naturally incur his future displeasure. To withstand solicitations for loans, is often a great trial of firmness; the more especially as the pleas and pretexts alleged are generally made plausible at the expense of truth; for nothing breaks down a man's truthfulness more surely than pecuniary embarrassment.

'An unthrift was a liar from all time;
Never was debtor that was not deceiver.'

"The refusal which is at once the most safe from vacillation, and perhaps as little apt to give offence as any, is the point-blank refusal, without reasons assigned. Acquiescence is more easily given in the decision of a strong will than in reasons which weak men, under the bias of self-love, will always imagine themselves competent to controvert.

"Some men will lend money to a friend, in order, as it were, to purchase a right of remonstrance, but the right so purchased

is worth nothing. You may buy the man's cars, but not his heart or his understanding.

"I have never known a debtor or a prodigal who was not, in his own estimation, an injured man; and I have generally found that those who had not suffered by them were disposed to side with them; for it is the weak who make the outcry, and it is by the outcry that the world is wont to judge. They who lend money to spendthrifts should be prepared, therefore, to suffer in reputation as well as in their purse. Let us learn from the son of Sirach:—'Many, when a thing was lent them, reckoned it to be found, and put them to trouble that helped them. Till he hath received, he will kiss a man's hand, and for his neighbour's money, he will speak submissively; but when he should repay, he will prolong the time, and return words of grief, and complain of the time. If he prevail, he shall hardly receive the half, and he will count as if he had found it; if not, he hath deprived him of his money, and he hath gotten him an enemy without cause; he payeth him with curses and railings and for honour, he will pay him disgrace.'"

MISCELLANIES.

LETTER FROM THE HON. JOHN FREEDLEY.

MR. FREEDLEY was born near Norristown, Montgomery Co., Pa., May 22, 1793. He was engaged in making bricks for a while, but concluded to abandon "foot" work and try "head" work. He studied law, was admitted to the bar August 16, 1820, and rose rapidly in his profession. His knowledge of the German language, and his previous acquaintance with business, obtained for him at once an extensive practice. His earnings and savings he invested in real estate purchased at sheriff's sales, and at ordinary public and private sales, and gradually he became something of a land-speculator. His purchases, however, were managed with such judgment that they invariably advanced in value, and in some cases largely. The first estimate of his property in his annual inventory, which he afterwards kept regularly, is dated April 1, 1822, and is £1,217.

In 1832 or 1833 he embarked in the marble business, and gradually withdrew from his profession. In 1838 he made the following memorandum:—"I now find my debts about £10,000,

and these, too, have grown upon me in ten years. It is one of the consequences of *too much* enterprise, too great a disposition to drive a business. It is a rock on which many have split, and it is marvellous that, seeing the breakers ahead, and knowing the dangers of an onward course, we are not willing to avoid them. But ten years since I was a simple six per cent. man, and had never given a note or an obligation. I owned no real estate; now I have run on the opposite extreme; own lands everywhere, and rest easy under a debt of ten thousand." The usual consequences of this "too much enterprise," in those times that tried men's pockets, he did not entirely escape, though the actual results to him were not more serious than the loss of a few thousands, and a great deal of anxiety and mental harassment. In 1844 or 1845 he disposed of his marble business; and in 1846, though a Whig, was elected to Congress as Representative for the Fifth Pennsylvania Congressional District, which usually gives from 600 to 600 Democratic majority. In 1848 he was re-elected. In Congress, an affection of the voice as well as a retiring nature prevented him from taking an active part in the debates of that turbulent body, but in his votes he always exercised his own independent and unsurpassed judgment. He died December 8, 1851. He was a man of kind heart, superior mind, simple tastes, and unpretending manners.

ADVICE OF JOHN GRIGG, OF PHILADELPHIA.

JOHN GRIGG, the founder of the well-known publishing house of Grigg, Elliott & Co., of which Messrs. Lippinott, Grambo & Co. are the worthy successors, has favoured us with some points which his experience has taught him that it is important for young business men to observe, and which I regret that I did not have for insertion in its proper place, amongst the opinions of other noted men. His life is another encouraging example of what integrity, united to talent, energy, and good fortune, may hope to accomplish under free institutions. Beginning the world an orphan farmer boy, he has accumulated, as public opinion says, a large fortune; and though rich, he has shown that he understands what few rich men ever have understood—that is, the art of using money wisely, as well as getting it. In a conversation with him the other day, he expressed the opinion that endorsing is a cause of one-half the failures in business, and stated the remarkable fact that he had never asked a man to endorse a note for him in his life. As an apology for not giving the dangerous practice of endorsing greater prominence in my remarks on the causes of failure, I would say that I attempted only to consider some of the primary causes of failure, and that I regarded endorsing a secondary cause. A man fails from some one of the causes I have mentioned, and perhaps others that I omitted to notice; and by *his failure* he drags down some half-dozen others, to whom he was indebted for value received or for endorsements without value received. I

also expressed the opinion that, by the general introduction of private banks, the dangerous system of indorsation, now made necessary by the rules and regulations of public banks, would be essentially modified. But—to Mr. Grigg. Had he the ear of a young business man who wishes to prosper, he would say:—

First.—Be industrious and economical. Waste neither time nor money in *small* and *useless* pleasures and indulgences. "If the young can be induced to *begin to save*, the moment they enter on the paths of life, the way will ever become easier before them, and they will not fail to attain a competency, and that without denying themselves any of the real necessities and comforts of life."

Second.—To industry and economy add self-reliance. "Do not take *too much advice*. The business man must keep at the helm, and steer his own ship."

Third.—Avoid *excessive credits*. "There are three elements equally beneficial in their use, equally destructive in their abuse. These are Fire, Water, and Banks."

Fourth.—Attend to the *minutiae* of the business, small things as well as great. See that the store is opened early, goods brushed up, twine and nails picked up, and all ready for action. "A young man should consider capital, if he have it, or as he may acquire it, merely as tools with which he is to work, not as a substitute for the necessity of labour."

Fifth.—Marry early. "The man of business should marry as soon as possible, after twenty-two or twenty-three years of age. A woman of mind will conform to the necessities of the day of small beginnings; and in choosing a wife, a man should look at, 1st, The heart;—2nd, The mind;—3rd, The person."

Sixth.—"Follow duty, and never let truth strike her top-sail."

Seventh.—Everything, however remote, that has any bearing upon success must be taken advantage of. "The business man should be continually on the watch for information, and ideas that will throw light on his path, and he should be an attentive reader of all practical books, *especially those relating to business, trade, &c.*, as well as a patron of useful and ennobling literature."

Eighth.—"Never forget a favour, for ingratitude is the basest trait of man's heart. Always honour your country, and remember that our country is the very best poor man's country in the world."

P. T. BARNUM'S RULES FOR SUCCESS IN BUSINESS.

I HAVE delayed the further progress of this book to obtain (what I was sure to obtain, for *he* had promised it) the opinion of one, who is known all over the world as the ablest tactician, and one of the most successful business men of the age, and I am happy to say it is worth waiting for Had I received it

earlier, I would have been tempted to affix to it the encomium which I passed upon McDonogh's, as the "most valuable opinion upon record." It is certainly a volume within itself. I am sure my friends the editors will, after a while, be wanting a slice of it for the benefit of their readers, and they are most welcome to it; but, Gentlemen, do not, I pray you, forget to mention the source from which you obtained it, or to tell your readers that "there are a few more of the same sort left." Amidst the multiplicity of books there is danger that those which may have the best effect will be unheard of by the public without your fostering care. In the following letter, Mr. Barnum has given me authority to make alterations, &c., which I have not made, because I see no need of any, and for fear of spoiling it. It is possible that his remarks on advertising should be slightly qualified, to be good advice to all men—for a man should first be certain that his articles are really good in themselves, and would be popular if generally known; and, secondly, he should be certain of his own strength—that is, he should be a Barnum before he attempts to rival a Barnum.

EDWIN T. FREEDLEY, ESQ.

Bridgeport, June 28, 1852.

DEAR SIR,—Upon receiving your telegraphic despatch on Saturday, that you are waiting at an expense for my letter, I telegraphed you that you should receive it on Wednesday, but on reflection I determined to keep you no longer waiting, so I sat right down and wrote the inclosed. I fear that it is not what you want—but such as it is, I send it. Very likely the grammar may need correcting, and I also give you full liberty to curtail and leave out anything you please, and make any alterations and additions that you please, provided you do not alter the general meaning and spirit of the article.

I hope you will be successful in your publication, and I shall be glad to purchase a copy of the work when it is completed.—
Truly yours,
P. T. BARNUM.

I can scarcely expect to offer anything new on the subject proposed, but will name a few rules that I am convinced, from experience and observation, must be observed in order to insure success in business.

I.—*Select the KIND of business that suits your natural inclinations and temperament.*—Some men are naturally mechanics; others have a strong aversion to anything like machinery, and so on; one man has a natural taste for one occupation in life, and another for another. "I am glad we do not all feel and think alike," said Dick Homespun; "for, if we did, everybody would think my gal, Sukey Snipes, the sweetest creature in all creation, and they would all be trying to court her at once."

I never could succeed as a merchant. I have tried it unsuccessfully several times. I never could be content with a fixed salary, for mine is a purely speculative disposition, while others are just the reverse, and therefore all should be careful to select those occupations that suit them best.

II.—*Let your pledged word ever be sacred.*—Never promise to do a thing without performing it with the most rigid promptness. Nothing is more valuable to a man in business than the name of always doing as he agrees, and that to the moment. A strict adherence to this rule gives a man the command of half the spare funds within the range of his acquaintance, and always encoircles him with a host of friends, who may be depended upon in almost any conceivable emergency.

III.—*Whatever you do, do with all your might.*—Work at it, if necessary, early and late, in season and out of season, not leaving a stone unturned, and never deferring for a single hour that which can just as well be done *now*. The old proverb is full of truth and meaning. "Whatever is worth doing at all is worth doing well." Many a man acquires a fortune by doing his business *thoroughly*, while his neighbour remains poor for life because he only *half* does his business. Ambition, energy, industry, and perseverance are indispensable requisites for success in business.

IV.—*Sobriety. Use no description of intoxicating drinks.*—As no man can succeed in business unless he has a *brain* to enable him to lay his plans, and *reason* to guide him in their execution; so, no matter how bountifully a man may be blessed with intelligence, if his brain is muddled, and his judgment warped by intoxicating drinks, it is impossible for him to carry on business successfully. How many good opportunities have passed, never to return, while a man was sipping a "social glass" with his friend! How many a foolish bargain has been made under the influence of the *nerve*, which temporarily makes its victim so *rich*! How many important chances have been put off until to-morrow, and thence for ever, because the wine-cup has thrown the system into a state of lassitude, neutralizing the energies so essential to success in business. The use of intoxicating drinks as a beverage is as much an infatuation as is the smoking of opium by the Chinese, and the former is quite as destructive to the success of the business man as the latter.

V.—*Let hope predominate, but be not too visionary.*—Many persons are always kept poor because they are too *visionary*. Every project looks to them like certain success, and therefore they keep changing from one business to another, always in hot water, and always "under the harrow." The plan of "counting the chickens before they are hatched" is an error of ancient date, but it does not seem to improve by age.

VI.—*Do not scatter your powers.*—Engage in one kind of business only, and stick to it faithfully until you succeed, or until you conclude to abandon it. A constant hammering on

one nail will generally drive it home at last, so that it can be clinched. When a man's undivided attention is centred on one object, his mind will continually be suggesting improvements of value, which would escape him if his brain were occupied by a dozen different subjects at once. Many a fortune has slipped through men's fingers by engaging in too many occupations at once.

VII.—*Engage proper employes.*—Never employ a man of bad habits when one whose habits are good can be found to fill his situation. I have generally been extremely fortunate in having faithful and competent persons to fill the responsible situations in my business, and a man can scarcely be too thankful for such a blessing. When you find a man unfit to fill his station, either from incapacity or peculiarity of character or disposition, dispense with his services, and do not drag out a miserable existence in the vain attempt to change his nature. It is utterly impossible to do so: "You cannot make a silk purse," &c. He has been created for some other sphere; let him find and fill it.

VIII.—*Advertise your business. Do not hide your light under a bushel.*—Whatever your occupation or calling may be, if it needs support from the public, *advertise* it thoroughly and efficiently, in some shape or other that will arrest public attention. I freely confess that what success I have had in life may fairly be attributed more to the public press than to nearly all other causes combined. There *may* possibly be occupations that do not require advertising, but I cannot well conceive what they are. Men in business will sometimes tell you that they have tried advertising, and that it did not pay. This is only when advertising is done sparingly and grudgingly. Homeopathic doses of advertising will not pay, perhaps—it is like half a potion of physic—making the patient sick, but effecting nothing. Administer liberally, and the cure will be sure and permanent. Some say "they cannot afford to advertise;" they mistake—they cannot afford *not* to advertise. In this country, where everybody reads the newspapers, the man must have a thick skull who does not see that these are the cheapest and best medium through which he can speak to the public, where he is to find his customers. Put on the *appearance* of business, and generally the *reality* will follow. The farmer plants his seed, and while he is sleeping, his corn and potatoes are growing. So with advertising. While you are sleeping, or eating, or conversing with one set of customers, your advertisement is being read by hundreds and thousands of persons who never saw you, nor heard of your business, and never would, had it not been for your advertisement appearing in the newspapers. The business men of this country do not, as a general thing, begin to appreciate the advantages of advertising thoroughly. Occasionally the public are aroused at witnessing the success of a Swaim, a Brandreth, a Townsend, a Genin, or a Root, and express astonishment at the rapidity

with which these gentlemen acquire fortunes, not reflecting that the same path is open to all who *dare* pursue it. But it requires *nerve* and *faith*—the former to enable you to launch out thousands on the uncertain waters of the future; the latter to teach you that after many days it shall surely return, bringing a hundred or a thousandfold to him who appreciates the advantages of printer's ink properly applied.

IX.—*Avoid extravagance; and always live considerably within your income, if you can do so without absolute starvation!*—It needs no prophet to tell us that those who live fully up to their means, without any thought of a reverse in life, can never attain a pecuniary independence. A brief reference to my own history may, perhaps, serve to illustrate this part of the subject. By the death of my father in 1826, I was thrown upon the world at the age of sixteen, dependent solely upon my own resources for support. I never found any difficulty in *making* money, but the thought did not occur to me (during fifteen years) of trying to *save*. At one time, when lotteries were lawful in my native state (Connecticut), I was extensively engaged in the sale of tickets, and my profits were enormous, sometimes as high as one hundred pounds per day; but I thought very little of trying to lay up money; I could always easily manage to expend my income, let it be ever so great.

In 1841 I purchased the American Museum in New York, without a shilling, for I was not worth a shilling in the world. But I was never disheartened; I always felt that I could make money fast enough, if I only set my mind to it. I remember meeting a friend in Broadway a few weeks before I came in possession of the Museum.

"Well," says I, "Mr. A, I am going to buy the American Museum."

"Buy it," says he, for he knew I had no property. "What do you intend buying it with?"

"Brass," I replied; "for silver and gold I have none."

It was even so. Everybody who had any connection with theatrical, circus, or exhibition business, from Edmund Simpson, manager of the Old Park Theatre, or William Niblo, down to the most humble puppet-showman of the day, knew me perfectly well. Mr. Francis Olmsted, the owner of the Museum building (now deceased), a noble whole-souled man as one often meets with, having consulted my references, who all concurred in telling him that I was a "good showman, and would do as I agreed," accepted my proposition to give security for me in the purchase of the Museum collection, he appointing a money-taker at the door, and crediting me, towards the purchase, all the money received after paying expenses, allowing me £10 per month, on which to support my family, consisting of a wife and three children. This was my own proposition, as I was determined so to live, that £120 per annum should defray all the expenses of my family until I had paid for the Museum; and

my treasure of a wife (and such a wife is a "treasure") gladly assented to the arrangement, and expressed her willingness to out the expenses down to £80 per annum if necessary. One day, some six months after I had purchased the Museum, my friend, Mr. Olmsted, happened to call in at my ticket-office, at about twelve o'clock, and found me alone, eating my dinner, which consisted of a few slices of corned beef and bread that I had brought from home in the morning.

"Is this the way you eat your dinner?" he inquired.

"I have not eaten a warm dinner since I bought the Museum, except on the Sabbath," I replied; "and I intend never to eat another on a week-day until I get out of debt."

"Ah! you are safe, and will pay for the Museum before the year is out," he replied, slapping me familiarly on the shoulder; and he was right, for in less than a year from that period I was in full possession of the Museum as my own property, every cent paid out of the profits of the establishment. Had I been less economical, and less *determined*, my expenses would have kept pace with my income; I should have lost much valuable time in going home every day to my dinner; and my present situation would probably have been very different from what it is.

Men and women, accustomed to gratify every whim and caprice, will find it hard at first to cut down their various unnecessary expenses, and will feel it a great self-denial to live in a smaller house than they have been accustomed to, with less expensive furniture, less company, less costly clothing, a less number of balls, parties, theatre-goings, carriage-ridings, pleasure excursions, cigar-smokings, liquor-drinkings, &c. &c. &c.; but, after all, if they will try the plan of laying by a "nest-egg," or, in other words, a small sum of money, after paying all expenses, they will be surprised at the pleasure to be derived from constantly adding to their little "pile," as well as from all the economical habits which follow in the pursuit of this peculiar pleasure. The old suit of clothes, and the old bonnet and dress, will answer for another season; the Croton or spring water will taste better than champagne; a brisk walk will prove more exhilarating than a ride in the finest coach; a social family chat, an evening's reading in the family circle, or an hour's play of "hunt the slipper," and "blind-man's buff," will be far more pleasant than a ten pound or a one hundred pound party, when the reflection on the *difference in cost* is indulged in, by those who begin to know the *pleasures of saving*.

Thousands of men are kept poor, and tens of thousands are made so after they have acquired quite sufficient to support them well through life, in consequence of laying their plans of living on too expensive a platform. Some families in this country expend \$5,000 per annum, and some much more, and would scarcely know how to live on a smaller sum. Prosperity is a more severe ordeal than adversity, especially sudden prosperity.

"Easy come, easy go," is an old and true proverb. *Pride*, when permitted full sway, is the great undying canker-worm which gnaws the very vitals of a man's worldly possessions, let them be small or great, hundreds or millions. Many persons, as they begin to prosper, immediately commence expending for luxuries, until in a short time their expenses swallow up their income, and they become ruined in their ridiculous attempts to keep up appearances, and make a "sensation."

I know a gentleman of fortune, who says, that when he first began to prosper, his wife *would have* a new and elegant sofa. "That sofa," he says, "cost me six thousand pounds!" The riddle is thus explained. When the sofa reached the house, it was found necessary to get chairs "to match," then sideboards, carpets and tables, "to correspond" with them, and so on through the entire stock of furniture, when at last it was found that the house itself was quite too small and old-fashioned for the furniture, and a new one was built to "correspond" with the sofa and *etceteras*; "thus," added my friend, "running up an outlay of £6,000, caused by that single sofa, and saddling on me, in the shape of servants, equipage, and the necessary expenses attendant on keeping up a fine 'establishment,' a yearly outlay of two thousand pounds, and a tight pinch at that; whereas ten years ago, we lived with much more real comfort, because with much less care, on as many hundreds. The truth is," he continued, "that sofa would have brought me to inevitable bankruptcy, had not a most unexampled tide of prosperity kept me above it."

X.—*Do not depend upon others.*—Your success must depend upon your own individual exertions. Trust not to the assistance of friends, but learn that every man must be the architect of his own fortune; and, with proper attention to the foregoing rules, and such observations as a man of sense will pick up in his own experience, the road to competence will not, I think, usually be found a difficult one.

PHINEAS T. BARNUM.

BRIDGEPORT, CONNECTICUT, *June 28, 1862.*

APPENDIX.

LEGAL ADVICE AND USEFUL SUGGESTIONS.

As the public has been disposed to treat this book with unmerited kindness—two editions having been sold in a few weeks, and a third called for—I feel under obligations to make it, if possible, a profitable investment to all who purchase it

and I have thought that some **LEGAL ADVICE** in matters of daily concern would be acceptable to all, and useful to many. Though not a lawyer by profession, I had the advantage some years ago of "delving in its mines," at the law school of Harvard University, and I give these remarks and advice as the teachings of Simon Greenleaf, late royal professor of law at that institution.

The starting point of the majority who engage in business is the situation of clerk or agent; and we commence with some remarks applicable to the relation of

AGENCY.

It is a general rule of law, that whenever a person has power to do a thing, he may consequently, as incident to his right, do it by attorney or agent; but an agent, who is authorized to do a certain act, cannot *delegate* his authority.

If a person be appointed a general agent, as in the case of a factor for a merchant residing abroad, the principal is bound by all his acts done in the usual way of trade: but an agent, constituted for a particular purpose, and under a limited and circumscribed power, cannot bind the principal by any act exceeding his authority.

Every general power necessarily implies the grant of every matter necessary to its complete execution. An attorney who has power to convey land has necessarily the power to receive the purchase-money.

In the appointment of a general agent, a man should take particular care whom he authorizes, or it may be of the most fatal consequence to him.

When a clerk who has been empowered to draw or accept bills of exchange in his employer's name, leaves his service, it is always prudent in the latter to give express notice of such fact to all his correspondents individually, for he may be bound by the acts of such clerk subsequently to leaving his service. A general notice in a newspaper is not sufficient to affect a former customer, unless he had express notice thereof.

When an agent has deviated from his orders, and you do not intend to assent to it, give immediate notice of your dissent.—Silence is considered in law an equivalent to a ratification.

Be cautious in sanctioning acts unauthorized by you, even if they are apparently insignificant, or to your advantage.—Permitting a man to act as agent, and repeatedly adopting such acts, confers an implied authority upon the supposed agent, and gives the public a right to suppose him clothed with authority.

To agents we say:—1. *Never employ the funds of your principal, either his property or credit, in your behalf; for you expose yourself, if the adventure is a losing one, to bear the loss, and if a gaining one, to lose the profit.*—It is optional with the principal to disavow such transactions of agents, or to claim the benefit of them. It is also a general principle of law, that if the agent attempts to buy the goods he has on sale for his

principal, without the express consent of the latter, after full knowledge, the latter may, at his election, either hold him to the bargain, as purchaser, or refuse it, and hold him to account for any greater price or value which has been or can be obtained for it at the same time.

2. *Always disclose your character as agent.*—If this be not done, a person with whom you deal has the right to hold you as the actual party; and has also the right, on discovering your principal, to resort directly to him. Yourself and principal are both bound.

3. *Be careful, in signing obligations as agent, not to use language importing personal obligation on your own part.*—The mere use of the word "agent" will not relieve from personal responsibility, unless the principal's name appear on the face of the paper. The agent should always, in his signature, express both the principal's name and his own.

4. Verbal communication is in most cases valid authority for the appointment of an agent, but he should in all cases demand some written evidence of his authority, as he is always responsible, that he is authorized to do such acts as he professes to execute. An agent who acts without or beyond his authority binds himself, and not his principal. There should be two parts of a power of attorney—one kept by the person to whom it is given, and the other kept by the person interested.

5. *Where the authority is not discretionary, obey orders strictly, whatever may be the consequences to your principal. For a deviation from orders there is no excuse.*—If goods be consigned to sell on arrival, the agent must sell on the first opportunity, and cannot wait for a change in the market, whatever may be his knowledge or his desire to benefit his principal. By saying, however, that he must sell at the first opportunity, is not meant that he must close with the first offer, be it what it may; but it is meant that the agent must not in such case attempt to wait any change of times, but must make the sale without delay, at the best price, and on the best terms he can then do.

6. Where the language of your principal is obscure, ambiguous, or contradictory, *construe it strictly*; that is, do not infer that it contains more than it clearly implies. If you err by strict construction, you are on the safe side, and not exposed to blame for having exceeded your power.

7. *Always keep your principal constantly instructed as to your proceedings.*—The duty of keeping up correspondence is considered in law a part of the reasonable diligence due to the principal, for the consequences of a want of which the agent must suffer: but aside from law, it a duty which the agent owes to himself as a true man of business. There are few things more annoying than not to receive advices concerning matters in which one is interested, and not to receive prompt answers to letters is a downright insult. A neglect of business correspondence is *prima facie* evidence of incapacity.

In dealing with an agent, always demand satisfactory evidence of his authority to act for his principal.—By a neglect of this—as the act of an agent who exceeds his authority does not bind his principal—your contract may be an invalid one.

BILLS OF EXCHANGE AND PROMISSORY NOTES.

Bills of Exchange are either foreign or inland. They are foreign when drawn by a person residing in one country upon a person residing in another: as where a bill is drawn in Philadelphia upon a merchant residing in Liverpool; and inland, when both the drawer and the drawee reside within the same state or kingdom.

A *Promissory Note* is defined to be a direct engagement in writing to pay a sum specified, at a time therein limited, or on demand, to a person therein named, or his order, to the bearer.

Cheques somewhat resemble bills of exchange, but differ from them in this respect, that they are made payable to bearer, and must be drawn upon regular bankers.

Bills of exchange and negotiable promissory notes are distinguished from all other parol contracts, by the circumstance that they are *primâ facie* evidence of valuable consideration, both between the original parties and against third persons.

In an action by the *bonâ fide* holder of a negotiable note, received before due, against the maker, the consideration cannot be inquired into, if the instrument be not in its creation void.

The holder of a bank-cheque is *primâ facie* the rightful owner, and is not bound to prove a consideration unless circumstances of suspicion appear.

Whenever the holder of negotiable paper has notice, either positively or constructively, of any equity subsisting between the original parties, he takes it subject to such equity.

The parties concerned in a bill of exchange are the *drawer*, or the party who draws the bill; the *drawee*, or the party on whom it is drawn; and the *payee*, or party in whose favour it is drawn. When the drawee has accepted the bill he becomes the *acceptor*. When the payee assigns his right, by writing his name on the back, he becomes an *indorser*.

Indorsements are made either in *blank*, in *full*, or *restrictive*. An indorsement in *blank* is by far the most common, and is made by the mere writing of the indorser's name on the back of the bill, without any mention of the name of the person in whose favour the indorsement is made. A blank indorsement makes a bill transferable to the indorsee by mere delivery; and its negotiability by that method cannot be restrained by any subsequent indorsement in *full*, because the holder, by delivery, may consider himself as the indorsee of the payee, and strike out all the subsequent indorsements, whether special or not.

An indorsement in *full* is so called, because the indorser expresses therein in whose favour he makes the indorsement; as, "pay the contents to A. B. or order."

A *restrictive* indorsement gives a bare authority to receive the

money, without power of transfer; as, "pay to A., for my use," or to "J. S. only."

In drawing a bill or note, attention should be paid to the following matters:—1. That it be properly dated. 2. That the time of payment be clearly expressed. 3. That it contain an order, at least a request to pay. 4. That in case of a foreign bill, drawn in sets, each set contain a proviso that it shall be payable only in case the others are not paid. 5. That it be clearly expressed to whom the bill is payable. 6. That where the instrument is intended to be negotiated, words of transfer be inserted. 7. That the money to be paid be distinctly and intelligibly expressed. 8. That in certain cases "value received" be inserted. 9. That the drawer's name be clearly signed. 10. That the bill be properly addressed to the drawee. 11. That where the bill is to be paid at a certain place, that place be properly described. 12. That the bill be written upon a proper stamp.

1.—*Where there is danger of loss, have the bill or note made payable "to order;" and, in such cases, it is advisable for the indorser to fill up blank indorsements, so as to make it an indorsement in full.*—If the holder of a foreign or inland bill of exchange, transferable by mere delivery, lose or be robbed of it, while in his possession, and it get into the hands of a person who was not aware of the loss, for a sufficient consideration, previously to its being due, such person, notwithstanding he derived his interest in the bill, &c., from the person who found or stole it, may maintain an action against the acceptor, or other parties, and the original holder, who lost it, will forfeit all right of action; and if a person who has not given a consideration for a lost or stolen bill, transferable by mere delivery, presents it to the drawee, at the time it is due, and he pays it before he has notice of the loss or robbery, such drawee will not, in general, be liable to pay it over again to the real owner.

But where a bill is assignable, by *indorsement*, no interest can be conveyed, otherwise than by that act; and a person getting possession of it, by a forged indorsement, will not acquire any interest in it, although he was not aware of the forgery. Consequently, the original holder, when he has regained possession of the bill, can recover against the acceptor and drawer, although the acceptor may have paid the bill.

No person should refuse to pay a bill which he has accepted to the loser, on the ground of its having been lost, if he has sufficient security and indemnification offered to him; and a court of equity has jurisdiction to enforce payment of the amount of a negotiable note so lost, upon sufficient indemnity being given.

It is said that if one part of a foreign bill of exchange drawn in sets be lost by the drawee, or be by him given to a wrong person; or if, by any other means, the holder cannot have a return of the bill, either accepted or not accepted, the drawee must give to the holder, or to his order, a promissory note for payment

of the amount of the bill, on the day it becomes due, on delivery of the second part, if it arrive in time, or if not, upon the note; and if the acceptor refuse to give the note, the holder must demand the money, though he have neither note nor bill; and if payment be refused, a protest must be regularly made for non-payment.

In all cases, if a bill of exchange be lost, and a new one cannot be had from the drawer, a protest may be made on a copy.

Bankers' cheques must always be made payable *to bearer*, if they are drawn upon unstamped paper, as otherwise they are subject to the same stamp-duty as bills.

II.—*Always present bills for acceptance as soon as possible; and presentment should, in all cases, be made during the usual hours of business.*—As regards *foreign* bills, it is clearly established, that a valid acceptance may be in writing, on the bill itself, or on *another paper*, as by a letter undertaking to accept bills *already drawn*, or it may be *verbal*; but the acceptance of an *inland* bill must be in writing, and *on the bill*. Where a bill, payable after sight is accepted, it is usual, and proper also, to write the day on which the acceptance is made.

The holder of a bill is not bound to receive an acceptance, which varies in any respect from the tenour of the bill; but if he do receive a *partial* or *conditional* acceptance, and mean to avail himself of the acceptance, he should immediately give notice to the other parties to the bill of the fact, and express in his notice the nature of it, or they will be discharged.

The doctrine is well established, that the acceptor is bound to know the handwriting of the drawer, and cannot defend himself from payment by a subsequent discovery of forgery, or on the ground that the drawer was an infant, &c.

If acceptance be refused, it is always advisable to have a bill regularly protested, and to give notice to the parties interested: and it is advisable for each party, immediately on receipt of notice, to give a fresh notice to such of the parties who are liable over to him, and against whom he must prove notice.

If the drawee, on presentment of a bill for acceptance, dishonour it, wholly or partially, the holder may insist upon immediate payment, by the parties liable to him, as well of the drawee as of the prior indorsers, or in default thereof, may instantly commence an action against them.

Where a bill is refused acceptance by the drawee, any person, with the consent of the holder, may accept it for the *honour* of the drawer, or any of the indorsers; and such acceptance is called an *acceptance supra protest*.

III.—*Never make any alteration, even of the most trivial character, in any bill, note, due-bill, or check.*—If a bill be altered in any *material* respect, as, for instance, in the date or sum, without the consent of the drawer, it will at common law discharge him from liability, though it may afterwards come into the hands of an indorsee not aware of the alteration, and if it be altered after acceptance or indorsement without the ac-

ceptor's or indorsee's consent, such alteration will have the same effect as to their liability. The effect of an alteration will be the same, although the day of payment be thereby retarded. But an alteration in a part *not material*, as, for instance, the insertion in the acceptance of the place where the bill is to be presented for payment, will not discharge the acceptor. It is, however, advisable never to make any alteration after a bill has been executed, for it might possibly subject an innocent holder or negotiator to an indictment for forgery, at the prosecution of a fraudulent or vindictive party; besides which, the alteration of a bill, after it has been negotiated, renders it void under the stamp laws, even although all parties consent to the alteration. If, upon a bill being presented for acceptance, the drawee alters it as to the time of payment and accepts it so altered, he vacates the bill as against the drawer and indorsers. But if the holder acquiesce in such alteration and acceptance, it is a good bill as between him and the acceptor.

IV.—*Never give or receive cheques which are post-dated*, as they are absolutely void, and cannot be received in evidence for any purpose, and the person drawing them is liable to a heavy penalty for so doing.

V.—*Never take a note or bill over due without inquiring into the reasons why it has not been paid.*—There is a material distinction between the transfer made *before* a bill is due, and one made *after* that time. In the first case it is said the transfer carries no suspicion on the face of it; but when a transfer of a bill is made *after it is due*, whether by indorsement or mere delivery, the presumption is that the indorsee had notice of the circumstances which would have effected the validity of the bill in the hands of the person who was holder thereof at the time it became due.

VI.—*Always present a bill or note for payment at the time when due, when a time of payment is specified; and when no time is expressed, within a reasonable time after receipt of the bill.*—Even the bankruptcy, insolvency, or death of the acceptor of a bill, or the maker of a note, however notorious, will not excuse the neglect to make due presentment, but in the case of death it should be made to the executor or administrator, and if none has been appointed, at the house of the deceased, otherwise the drawer and the indorsers will be discharged. When a bill, note, or cheque is dishonoured on being presented for payment, notice of such dishonour should be given *immediately* to the drawer and all the indorsers.

It is advisable always to present cheques for payment the same day on which you receive them, or at furthest, on the morning of the next day, unless prevented by distance, or some inevitable cause or accident, which in all cases will excuse the neglect to make presentment as soon as it would otherwise be necessary.

The presentment for payment of a bill should be made within the usual hours of business, and the holder of a bill is not bound to wait till the last moment of the last day of grace; for the

undertaking of the acceptor is to pay the bill on demand on any part of the last day of grace.

When a bill is paid by cheque it is prudent to *retain* the former until the latter is paid, since a question has been raised whether, if the cheque is dishonoured, *and the bill has been delivered to the acceptor*, the drawer and indorsers are not discharged; but if a creditor, on any other account than a bill of exchange, be offered cash in payment of his debt, or a cheque upon a banker from an agent of his debtor, and prefer the latter, this does not discharge the debtor if the cheque be dishonoured, although the agent fail with a balance of his principal in his hands to a much larger amount.

If you wish to hold the drawer and indorsers of a bill on non-payment by the drawee, do not agree to give the drawee time, or take a bond or any security payable at a future day, without the assent of the other parties thereto, for that would discharge them from liability, although due notice had been given of its non-payment. Whenever a new credit is given to the drawee, the holder takes it upon himself, and the drawer and drawee are discharged. Where the holder of a bill of exchange discharges a party who is liable to the payment, all other parties to it, whose liability is subsequent to that of the party discharged, are thereby discharged also.

It is always advisable for the drawer or indorser who pays a bill, to take a receipt in the holder's own hand writing—on the back of the bill, stating by whom it was paid—for the legal presumption is that it was paid by the acceptor.

GUARANTEE AND SURETYSHIP.

A *guarantee* is a contract whereby one man obligates himself for the acts of another who is dealing for his own benefit. No contract of suretyship is valid without a sufficient consideration, and unless such consideration be expressed in the guarantee; which guarantee must be in writing, and be signed by the party to be charged, or his agent duly authorized. Where the guarantor's promise is made *after* the credit has been given, there must be some new inducement, as giving longer time to pay, or a premium for the guarantee to make it binding upon the guarantor. Hence our advice is—

I.—*Place no dependence on promises of guarantee of a credit already given, unless there is a consideration for the promise.*—If A purchases goods of B, and I promise to guarantee the debt, it is not binding upon me in law without some consideration, no matter in what express words my promise was made, nor what the fulness of proof of the promise may be.

II.—*When you have acted upon, or availed yourself of the guarantor's promise*, given in letters of credit or otherwise, *use reasonable diligence to notify him of your acceptance of his guarantee.*—There are numerous instances on record, in which persons have been most egregiously deceived by a neglect of this caution. A notice to the surety of acceptance has, in

many cases, been considered essential to the validity of the guarantee. But aside from this, it is an act of justice to the surety, so that he may know to what extent he is bound, and be able to watch over his debtor, and in season take such counter securities as may be useful to him.

III.—*If you intend to rely upon a surety, do not be satisfied with anything less than a positive written guarantee*—A mere declaration of confidence or intentions, however favourable to the debtor, or saying that if such a one should wish to purchase, you would be willing to guarantee, does not amount to a guarantee. A promise of guarantee, to be valid, must be in writing, and signed by the surety, or his authorized agent.

IV.—*In determining contracts of suretyship, always adopt a strict construction; that is, do not suppose that they contain anything more than the words plainly and clearly express.*—It is frequently important to know whether a guarantee be a temporary or a continuing one. A surety engages to become responsible for another to the amount of one hundred pounds: Is this guarantee terminated after that amount is trusted, or does it continue as long as that amount, credited from time to time, remains unpaid? The rule is, that you are not to construe any guarantee to be a continuing one, unless it be so in express terms, or by necessary implication. If a guarantee be made to A, B, and Co., for the payment of a debt, or the faithful behaviour of a clerk, it is not binding upon the surety in the hands of A and B, after the co-partnership of A, B, and Co. has been dissolved. Adopt a strict construction.

V.—Creditors should always use diligence in collecting the debt from the debtor, and should be especially careful that they do not, by giving time to the debtor, or releasing his debt, or destroying any of the collateral securities they may have, impair the right of immediate redress by the surety, or he will be discharged.

VI.—*When, as surety, you take a bond of indemnity as counter security, see that it contains two stipulations, one that the debtor shall pay or perform the obligation required, and another that you shall be indemnified against loss.*—If it contain only the indemnity, and not the performance clause, it cannot be made available until after you have paid the suretyship contract; but if it contain both these stipulations, you can proceed against the debtor as soon as the creditor can proceed against you.

Amongst the most common forms of suretyship are

LETTERS OF CREDIT.

Letters of credit are of two sorts, general and special; and both are given to furnish persons, when travelling, with cash, as their occasions may require. They are commonly open or unsealed, and contain an order from the writer to his correspondent, to furnish the bearer with a certain or an unlimited sum. The difference between them is, that the former is directed

to the writer's friends at all the places where the traveller may come; the other to some particular friend, making himself responsible for the payment of whatever moneys shall be advanced, in compliance with the credit given, on producing a receipt or a bill of exchange, which he thinks proper to have from the person credited. If any money be advanced on either species of these letters and bills of exchange given for the sum on the person who wrote them, he is obliged to accept and pay the same. As the giver of these letters is thus responsible for the punctual repayment of the money advanced, he ought to be very cautious to whom he gives them, as in the hands of a dishonest person they may prove his ruin; and, as the person who requests can easily calculate what amount of cash he is likely to want, I think the compliment, for it can be nothing else, of an unbounded credit should be excused, being really of no service either to him that pays or him that receives it. Advice by post should always follow a letter of credit, and a duplicate of it accompany such advice; and it would be prudent therein to describe the bearer, with as many particulars as may be requisite, lest he should lose or be robbed of his credentials, and a stranger reap the benefit of them.

These letters are written in various forms, and though a copy may be superfluous to most persons, yet it may be serviceable to some:—

PHILADELPHIA, August 25, 1832.

SIR,—This is to accompany Mr. Asher M. Wright, and to request you will furnish him with two hundred pounds sterling (*or with as much cash as he shall require of you, if you give an unlimited credit*), for which please take his bills on me, or any other upon whom he shall think proper to draw them; and I hereby engage for their punctual discharge, and remain, Sir,

Yours respectfully,

ENOS M. JONES.

To Mr. Samuel F. PRINCE, Merchant, Liverpool.

In a case where A and B addressed a letter of credit to C, saying:—"If D wishes to take goods from you on credit, we are willing to lend our names as security for any amount he may wish," and D took goods from C on credit several times, for which he paid; but about a year afterwards took another parcel of goods on credit, for which he gave his note to C, which was not paid. It was held that the letter of credit did not extend beyond the first parcel of goods delivered to D, and that A and B were not liable for an indefinite time, but only for an indefinite amount at one time.

Where a person gives a letter of credit to A, addressed to B and Co., by which he authorizes A to draw bills to a certain amount on B and Co., and B and Co. having dissolved their partnership, A draws a bill on B, who accepts it, the guarantor is not liable to B on his letter of credit.

A, of New York, gave a letter of credit to B, addressed to C in Albany, requesting C to deliver goods to B on the best terms, to a certain amount. C, instead of delivering the goods himself, gave B a letter to D in Geneva, requesting him to deliver goods

to the amount, and engaging to be responsible, and D accordingly delivered the goods to B. In an action brought by C against A for the amount, it was held, that the engagement of A to C did not make him answerable for goods furnished by any other person. A surety is not answerable beyond the scope of his engagement.

LAW OF PARTNERSHIP.

Partnership is a contract of two or more persons to place their money, effects, labour, and skill, or some or all of them, in lawful commerce or business, and to divide the profit and bear the loss in certain proportions. The two leading principles of the contract are, a common interest in the stock of the company, and a personal responsibility for the partnership engagements. The common interest of the partners applies to all the partnership property, whether vested in the first instance by their several contributions to the common stock, or afterwards acquired in the course of the partnership business: and that property is first liable for the debts of the company, and after they are paid, and the partnership dissolved, then it is subject to a division among the members or their representatives, according to agreement. If one person advances funds, and another furnishes his services or skill, in carrying on a trade, and is to share in the profits, it amounts to a partnership. But each party must engage to bring into the common stock something that is valuable: and a mutual contribution of that which has value and can be appreciated is the essence of the contract. There must be a communion of profit to constitute a partnership as between the parties. They must not be jointly concerned in the purchase only, but jointly concerned in the future sale.

A participation in the loss or profit, or holding himself out to the world as a partner, so as to induce others to give credit on that assurance, renders a person responsible as a partner.

There is a just and marked distinction between partnership as respects the public, and partnership as respects the parties; and a person may be liable as a partner to third persons, although the agreement does not create a partnership between the parties themselves. It is a fundamental doctrine of the law, that though the person to be charged contributes neither money nor time, nor receives any part of the profits, yet, if he lend his name as partner, or suffers his name to continue in the firm after he has ceased to be an actual partner, he is responsible to third persons as a partner. *Dormant partners*, when discovered, are equally liable as if their names had appeared in the firm, although they were unknown to be partners at the time of the creation of the debt. Each individual member of a firm is answerable, *in solido*, for the whole amount of the partnership debts, without reference to the proportion of his interest, or to the nature of the stipulation between him and his associates.

It is a general and well-established principle, that when a

person joins a partnership as a member, he does not, without a special promise, assume the previous debts of the firm, nor is he bound by them. To render persons jointly liable upon a contract as partners, they must have a joint interest contemporary with the formation of the contract. If, however, goods are purchased in pursuance of a previous agreement between two or more persons, that one of them should purchase the goods on joint account, in a foreign adventure, they are all answerable to the seller for the price as partners, even though their names were not announced to the seller; for the previous agreement made the partnership precede the purchase, and a joint interest attached in the goods at the instant of the purchase.

I.—Our advice is, first—*Be cautious in the selection of a partner.*—A man should not only have the most implicit confidence in the integrity of his partner, but he should also be well acquainted with his temper, and be satisfied of his general prudence and ability. An unfortunate temper, a disposition to unreasonable speculation, or a general incapacity for business, will often prove as injurious as the want of upright principle. By entering into partnership, each party reposes confidence in the other, and constitutes him his general agent as to all the partnership concerns: hence, the act of one, whenever it has the appearance of being on behalf of the firm, is considered as the act of the rest.

One partner can buy and sell partnership effects, and make contracts in reference to the business of the firm, and pay and receive, draw and indorse, and accept, bills and notes.

The act of one partner, though on his private account, and contrary to the private arrangement among themselves, will bind all the partners if made without knowledge in the other party of the arrangement, and in a matter which, according to the usual course of dealing, has reference to the business transacted by the firm.

In all contracts concerning negotiable paper, the act of one partner binds all; and even though he signs his individual name, provided it appears on the face of the paper to be on partnership account, and to be intended to have a joint operation. But, if a bill or note be drawn by one partner in his name only, and without appearing to be on partnership account, the partnership is not bound by the signature, even though it was made for a partnership purpose. If, however, the bill be drawn by one partner, in his own name, upon the firm, on partnership account, the act of drawing has been held to amount, in judgment of law, to an acceptance of the bill by the drawer, in behalf of the firm, and to bind the firm as an accepted bill. Even if the paper was made in a case which was not in its nature a partnership transaction, yet it will bind the firm, if it was done in the name of the firm, and there be evidence that it was done under its express or implied sanction. But if partnership security be taken from one partner

without the previous knowledge and consent of the others, for a debt which the creditor knew at the time was the private debt of the particular partner, it would be a fraudulent transaction, and clearly void in respect to the partnership. So if, from the subject-matter of the contract, or the course of dealing of the partnership, the creditor was chargeable with constructive knowledge of that fact, the partnership is not liable.

If, however, the negotiable paper of a firm be given by one partner on his private account, and that paper issued within the general scope of the authority of the firm, passes into the hands of a *bonâ fide* holder, who has no notice, either actually or constructively, of the consideration of the instrument; or if one partner should purchase on his private account an article in which the firm dealt, or which had an immediate connection with the business of the firm, a different rule applies, and one which requires the knowledge of its being a private, and not a partnership transaction to be brought home to the claimant.

One partner may pledge as well as sell the partnership effects in a case free from collusion, if done in the usual mode of dealing, and it has relation to the trade in which the partners are engaged. And if one partner acts fraudulently with strangers in a transaction within the scope of the partnership authority, the firm is nevertheless bound by the contract.

It is a general principle of law that one partner cannot bind a firm *by deed*, unless authorized to do so *by deed*. But a deed of release executed by one partner without the consent of the other will in general be valid against all.

II.—It is always advisable, though not essential, that articles of co-partnership should be formally drawn up, and they should specify the commencement and intended duration of the partnership; the kind of business to be pursued; the proportion of capital to be brought in; the manner in which the gains and losses are to be divided; whether interest is to be charged on capital, and at what rate; the allowance which the co-partners may withdraw yearly for their private use, and the disposition which is to be made of the joint property in the event of a dissolution.

III.—*Insert in your co-partnership agreements an article against the co-partners becoming bound as surety or otherwise during the co-partnership, except for the business of the firm.*—A violation of this stipulation gives the right to dissolve the co-partnership. This stipulation is exceedingly useful: not that any such contracts of suretyship bind the firm, for ordinarily they do not, and being private stipulations between the parties, they do not affect the public; but this article acts as a salutary restraint upon the co-partners, especially the younger members of houses, from the indulgence of a heedless kindness, and relieves them from solicitations for favours which it is often difficult to refuse and always wrong to grant.

IV.—*Be certain to specify in your articles of co-partnership what disposition is to be made of the joint property in the event*

of a dissolution.—This is the most important of all the stipulations, and it is one of the first dictates of prudence to provide at the commencement of the union, when there is mutual confidence and good feeling between the parties, and when the uncertainty as to which party shall fall under the adverse operation of any stipulations, insures the adoption of such as are mutually and reciprocally just for the disposition of the property in the event of a dissolution; an event upon which it becomes so peculiarly situated, from the equal and conflicting rights of dissenting owners that the only administration of it which the law can sanction, is to take it from all.

V.—*When the partnership is dissolved, give due notice of its dissolution in one of the usual advertising gazettes of the place where the business was carried on, and an actual and express notice to all who previously had dealings with the firm.*—Without this, the partners may still act in the name of the firm, and create liabilities on its members in favour of all who shall not be actually proved to have had notice of dissolution.

If a partnership be formed for a single purpose or transaction, it ceases as soon as the business is completed. A partnership may be dissolved by the *voluntary act of the parties*, and by the *death, insanity, or bankruptcy of either*, and by *judicial decree*, or by such a change in the condition of one of the parties as disables him to perform his part of the duty.

It is an established principle in the law of partnership, that, if it be without any definite period, a partner may withdraw at a moment's notice, when he pleases, and dissolve the partnership; and even if the partners have formed a partnership by articles, for a definite period, the parties may, by mutual consent, dissolve the partnership; and it would seem that the marriage of a partner who was a *feme sole* would dissolve the partnership as regards her.

When a partnership is actually ended, by death or other effectual mode, no person can make use of the joint property in the way of trade, or inconsistently with the purpose of settling the affairs of the partnership, and winding up the concern. One partner cannot indorse bills and notes previously given to the firm, nor accept a bill previously drawn on it, so as to bind it. If the paper was even indorsed before the dissolution, and not put into circulation until afterwards, all the partners must unite in putting it into circulation, in order to bind them.

LAW OF INTEREST.

Where there is no contract, express or implied, for the payment of interest, it is not allowed on the price of goods sold, even though a certain day is fixed for payment—nor on the price of work and labour—nor on money lent—nor on money paid for the use of another—nor on money received for the use of another—nor on a balance struck on an account for goods sold. Interest is not due on a written instrument, unless it is expressed in the instrument that interest was intended to be

paid, or such interest is implied. But by an Act of William IV., a jury is empowered to allow interest to a creditor upon his debt from the time when such debt became payable, if it were payable by virtue of a written instrument at a certain time; but if payable otherwise, then from the time when a demand of payment, with a notice claiming interest, shall have been made to the debtor. Interest may be implied from the usage of trade, or the dealings between parties; and it is always implied in mercantile instruments, as bills and promissory notes, after the time they ought to have been paid. If a note or bill, payable at a given time after date, be for a specified sum, "bearing interest," these entitle the holder to interest from date. Without these words, the holder is entitled to interest from the day of maturity. Interest, however, is not then allowed, if the delay in payment is caused by the default of the holder.

Interest may be recovered from a banker on money deposited in his bank by a customer, on its being proved to be the custom of the bank to allow it. Bankers cannot charge interest upon money advanced by them, without an express contract for that purpose.

A man who holds money as an agent or banker, bound to produce it at a moment's notice to the depositor, is not liable to pay interest, if he makes it. But an agent who makes interest from money that it is his duty to pay over is liable for interest.

A stakeholder is answerable for the loss, and hence entitled to any advantage; and it has been decided that an auctioneer is a mere stakeholder.

If the purchaser pay part of the purchase-money to an auctioneer, and the vendor is not able to complete the contract, the purchaser is entitled to recover interest from the latter on the deposit, from the time the purchase should have been completed.

The payment of interest on a legacy commences generally from a year after the testator's death.

A rule for computation of interest when partial payments have been made.—Compute the interest on the principal to the time of the first payment, and if the payment exceed this interest, add the interest to the principal, and from the sum subtract the payment: the remainder forms a new principal. But if the payment be less than the interest, take no notice of it until other payments are made, which in all shall exceed the interest computed to the time of the *last* payment: then add the interest so computed to the principal, and from the sum subtract the sum of the payments: the remainder will form a new principal, on which interest is to be computed as before.

MISCELLANEOUS ADVICE.

I.—If you receive an account current from your creditor, and intend to dispute it, make your objections within a reasonable time after its receipt.

In the mercantile world, an account current, not objected to in the course of two or three posts after it is received, is deemed

to be agreed to, and this understanding is regarded in the investigation of mercantile accounts in a court of equity.

II.—If you are the creditor in cases of guarantee or suretyship, it is your interest that the surety should unite with the debtor in a joint obligation. Under this form of contract, you can immediately proceed against both parties in the same legal proceeding. But if you are the surety, it is to your interest to enter into a separate contract, stipulating that the debtor shall do the act in question. Here notice must be given you of the debtor's default, and the creditor will have to enforce the obligation by two independent proceedings.

III.—If you are appointed an executor or administrator, deduct the charges of administration from the amount of assets in your hands; for if you pay out all the money arising from the personal estates, you cannot obtain a license to sell the real estate to pay the expenses of administration.

IV.—If two or more persons enter into an agreement for the purchase of an estate, an article should be inserted as between themselves, that in case default is made in either to pay his part of the purchase money, and the other pay it for him, he shall be entitled to call upon the vendor for a conveyance of the entire estate to hold as security for repayment.

V.—A partner assigning his share to the other, on dissolution of partnership, must—as they are joint tenants—use the word “*release*.” It is considered that word alone can pass the whole interest.

VI.—In an action to recover money due on a bond, the action must be brought in the name of the original obligee, notwithstanding the assignment; therefore, a power of attorney to sue in his name should always be inserted in the assignment.

VII.—On an assignment of a *chose in action*, notice of the assignment by a copy, or a full and clear statement of it, should be given to the debtor.

VIII.—Remember that marriage revokes a will previously executed.

FUNDAMENTAL LEGAL PRINCIPLES.

1. That which is originally void, does not by lapse of time become valid.

If an infant or married woman make a will and publish the same, and die of full age or single, it is still void. A will of a married woman made before marriage will not survive on the husband's death.

2. A personal right of action dies with the person.

3. The law compels no one to do impossibilities.

4. No one shall be twice vexed for one and the same cause.

5. The greater contains the less.

In an action for battery, and maiming is proved, it is well, because it is battery and more.

6. The law favours things which are in the custody of the law.

7. The husband and wife are one person.

8. Every act shall be taken most strongly against the maker.

If I plant land with corn, and lease it for years, the corn belongs to the lessee if I do not except it.

9. When two titles concur, the elder shall be preferred.
10. Agreements overrule the law.
11. He who derives the advantage ought to sustain the burden.
12. No man shall take advantage of his own wrong.
13. Where the equities are equal, the legal estate shall prevail.
14. He has the better title who was first in point of time.
15. A right of action cannot arise out of fraud.
16. It is fraud to conceal fraud.
17. The law assists those who are vigilant, and not those who sleep over their rights.
18. Ignorance of the law excuses no one.
19. Who does not oppose what he might oppose, seems to consent.
20. When contrary laws come in question, the inferior law must yield to the superior; the law general to the law special; an old law to a new law; man's laws to the laws of God.

A REQUEST TO THE READER.—I am desirous of preparing an enlarged, revised, and improved edition of this book, as the present edition has been prepared somewhat hastily, and does not afford me much satisfaction; and, in order to do this, I would be greatly indebted, and make due acknowledgments to all who will favour me with any facts in their possession, derived from their experience or observation, not to be found in books, that will enhance its interest and usefulness. I should like to have a large number of letters for insertion, under the head of "Letters and Miscellanies," with the names of the writers to be appended, or without them—with a mention of their business, and thus make it of pecuniary benefit to them, or without it, as they choose. There is not one man in a million whose experience would fill a book or a pamphlet, that would be worth the reading; but, I believe that one out of every five has some fact—some peculiar incident of history—some anecdote illustrative of a principle, or giving an insight into human nature—some adventure that caused trouble or loss through a neglect that others should be warned against—some thought, opinion, or fact that would be interesting and important for all to know. In conversation we frequently hear them detailed, and this is an excellent opportunity to collect them together. By united co-operation we can make the most interesting, and, perhaps, really useful book that has been published lately. On the subject of failures in business, I have no doubt that a great many valuable facts could be elicited, if we knew where to apply. John Grigg, with the courtesy that has ever distinguished him, has promised to contribute something, and also to place some papers—that he has been collecting through life—in my hands, with permission to make such selections as I choose.

I beg leave to state, that it is not general rules, nor general advice, that we now want—for Franklin, McDonogh, Grigg, and Barnum have, perhaps, exhausted the subject—but it is a condensed statement of *special facts*, as they occurred in the course of an individual's business experience, with the important lesson they taught him, as for instance, "At such a time I neglected so-and-so, and the consequence was, I involved myself in trouble and lost money. At another time, I managed thus, and made money, or recovered a doubtful debt," &c. &c. I respectfully solicit from a few of those who are known as first-rate salesmen, an analysis of the mode by which they appreciate character so quickly, and accommodate themselves thereto, and will guarantee them against all harm in revealing secrets, or danger that the world will ever become too wise. I also assure them that the few who are continually on the watch for information, and have the sense to take advantage of hints, are worth all the trouble.

Have the kindness to mention this to your friends, and may prosperity attend you!

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